101-05800/

Workplace gazette

An Industrial Relations Quarterly

Issued by:

Workplace Information Directorate
Labour Program
Human Resources Development Canada
165 Hôtel de Ville
Place du Portage, Phase II
Hull, Quebec K1A 0J2

1-800-567-6866 or (819) 997-3117

Internet: http://labour.hrdc-drhc.gc.ca/
E-Mail: wid-imt@hrdc-drhc.gc.ca

Disponible en français

© Department of Public Works and Government Services Canada — 2001

Available in Canada through
your local bookseller
or by mail from

Canadian Government Publishing - PWGSC
Ottawa, Canada K1A 0S9

Catalogue No. L12-22E
ISSN 1480-6886

The content of this publication has been prepared by members of the Social Science Employees Association and the Public Service Alliance of Canada.

AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

This issue includes the first quarter data for 2001 on wage adjustments in major collective agreements, both current and historical by public and private sectors, by region, by jurisdiction and by major industry. Also included is a listing of major settlements reached in the first quarter of 2001. Information on work stoppages for the fourth quarter of 2000 and first quarter of 2001 are provided.

Innovative practices in the workplace resulting from collective bargaining are summarized. Case studies include reorganizing the Sobeys' Distribution Centre in Montréal and the development of negotiated partnerships in the British Columbia forest industry.

An article on good corporate citizenship in the 21st century is featured. A summary of work-related child-care centres in Canada in the year 2001 is provided and the Employment Equity Merit Awards take a prominent place in this issue. Finally, the activities of the North American Occupational Health and Safety are updated and a short piece on Labour Day and its meaning is featured.

Recent changes in Canadian Labour Laws focus on adopted bills, regulations and other statutory instruments.

Yesterday and Today describes the first instance where union dues became an employment related income tax deduction and its relevance today.

Workplace Information

Information sur les milieux de travail

TABLE OF CONTENTS

Page

Wages and Work Environment

Major Wage Settlements – First Quarter 2001 7

Major Settlements Reached in the First Quarter 2001 12

Major Wage Settlements Tables 16

Work Stoppages 27

Innovative Workplace Practices
Suzanne PAYETTE 32

Case Studies

- Reorganizing the Sobeys' Distribution Centre in Montréal
  Michel BROSSARD 34
- Joint Project to Develop Negotiated Partnerships in the British Columbia Forest Industry
  Labour-Management Partnerships Program 44

Articles

- Good Corporate Citizenship in the 21st Century
  Roy J. ADAMS 50
- Work-Related Child-Care Centres in Canada – 2001
  Carole BARBEAU 55
- Employment Equity Merit Awards – 2001 62
- "Prevention is the Cure" – Canada Celebrates NAOSH Week
  (North American Occupational Safety and Health)
  Marcia BLASCHKE 71
- Labour Day – Something to Celebrate (September 3, 2001) 72

Canadian Labour Laws

- Adopted Bills, Regulations and Other Statutory Instruments
  Michel GAUVIN
  Charles Philippe ROCHON 73

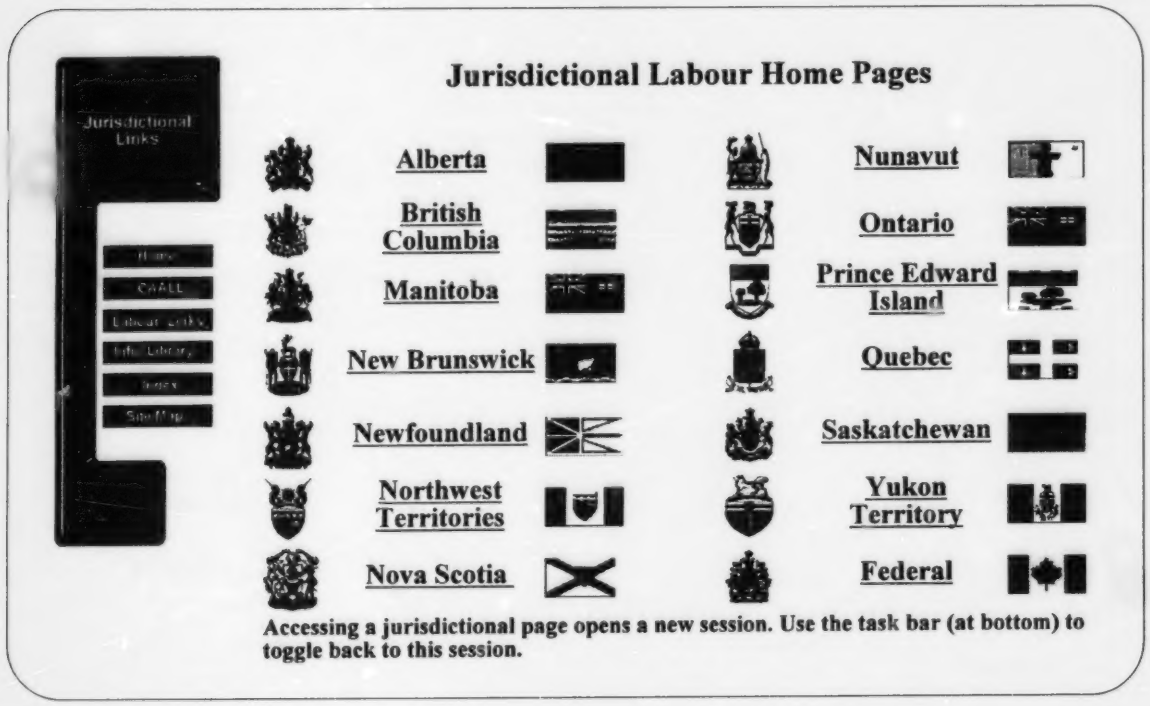
Yesterday and Today

- Union Dues
  Suzanne PAYETTE 76

Information Products and Client Services
(See last pages for Description and Order Form)

New One-Stop Shopping Labour Site

The web site contains comprehensive labour data from every province and territory with information on workplace innovations, labour standards legislation and industrial relations. Please feel free to visit the web site at **www.labour-info-travail.org/E_main.cfm**.

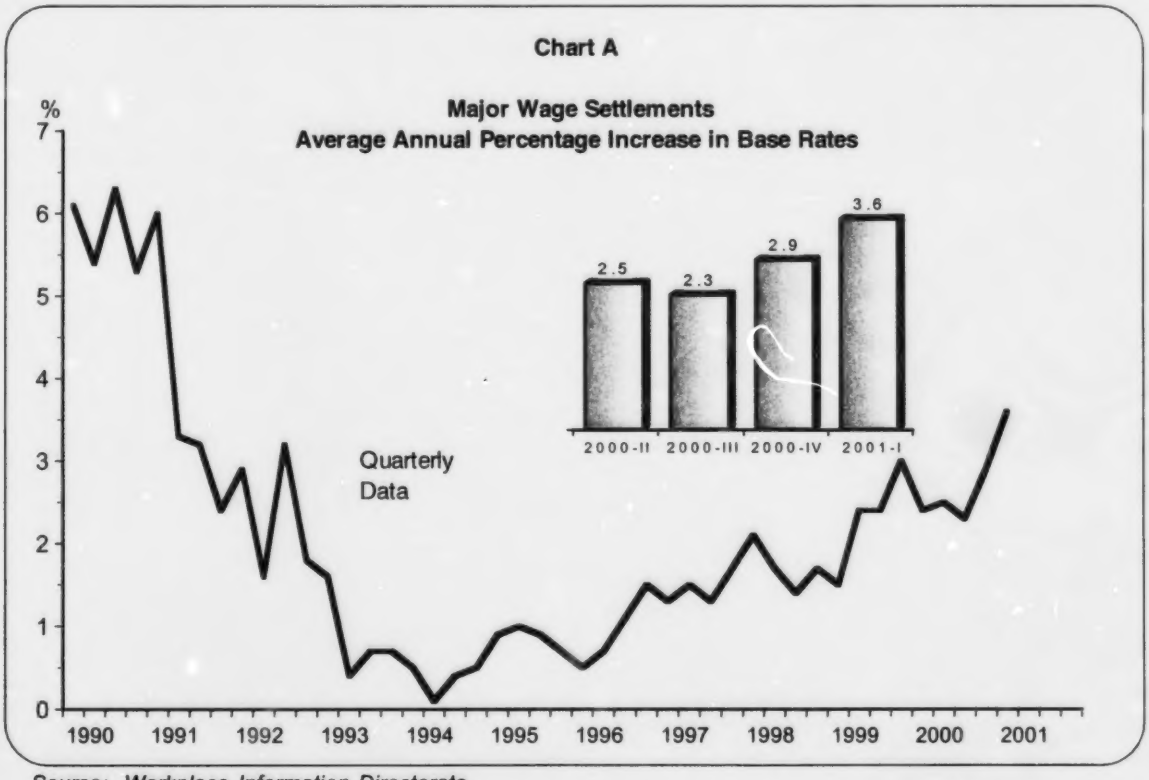


MAJOR WAGE SETTLEMENTS – FIRST QUARTER 2001*

Summary

- Base-rate wage increases for the **first quarter of the year 2001** averaged **3.6 per cent**, up from the 2.9 per cent figure in the fourth quarter of 2000 and the 2.5 per cent figure for the year 2000
- There were 70 major settlements reached during the first quarter of 2001 with a coverage of 159,130 employees
- Wage adjustments in first-quarter **public-sector** settlements averaged **3.7 per cent**. In the **private sector**, wage adjustments averaged **2.4 per cent**
- Alberta recorded the largest wage gains at 5.8 per cent; the lowest is Manitoba at 1.8 per cent
- By industry the largest average wage adjustments were in the **education, health and social services sector** at **4.2 per cent**; the lowest was in manufacturing at 1.8 per cent

Chart A



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Major collective bargaining settlements reached in the **first quarter of the year 2001** provided base-rate wage increases averaging **3.6 per cent** annually over the contract-term, up from the 2.9 per cent figure in the fourth quarter of 2000 and the 2.5 per cent figure for the year 2000. When the parties to these settlements previously negotiated, the resulting wage adjustments averaged 2.1 per cent, a smaller gain than in their current settlements.

There has been a gradual rise in the level of wage adjustments since 1994. The 3.6 per cent gain in the first quarter of the year 2001 still remains below the most recent annual peak of 5.6 per cent in 1990. Also, since 1993, average wage adjustments in the private sector had generally been above those in the public sector, although the gap had been narrowing since late 1997. However since early 2000, public sector increases have generally been higher than those in the private sector.

Distribution by Size of Wage Adjustments

The overall size of wage adjustments has trended upwards moderately since 1994. With the upturn in the size of wage adjustments there has been a corresponding decline in the incidence of wage freezes and wage cuts. In 1994, nearly two-thirds of all employees were subject to wage freezes or cuts; last year, that proportion had dropped to 0.8 per cent of all employees; the same percentage (0.8 per cent) of all employees in a single settlement reached in the first quarter of this year were subject to a wage freeze. There were no wage cuts.

In the first quarter 2001, a very large concentration of employees received wage increases in the 3.0 to 3.9 per cent range. More than half (51 per cent) of all employees obtained wage adjustments in that range. Approximately 3.0 per cent of employees received increases below the 2.0 per cent level and just slightly below 22 per cent of employees received increases of 2.0 to 2.9 per cent. Slightly over 23 per cent of employees received increases of 4.0 per cent and over; 12.8 per cent of these employees received increases of 7.1 per cent (Alberta nurses).

Public and Private Sectors

Wage adjustments for 138,580 employees in 52 first-quarter **public-sector** settlements averaged **3.7 per cent**. In the **private sector**, 18 settlements reached in the first quarter provided wage adjustments averaging **2.4 per cent** for 20,550 employees. The vast majority of first-quarter 2001 major settlements were in the public sector. The majority of these public sector settlements were in the education and health sub-sectors.

Distribution of Agreements and Employees by Size of Wage Adjustments, First Quarter 2001

	Agreements		Employees	
Adjustment Range	Number	Percentage	Number	Percentage
0% (No Increase)	1	1.4	1,200	0.8
Over 0.0% to 0.9%	2	2.9	2,420	1.5
1.0% to 1.9%	3	4.3	2,320	1.5
2.0% to 2.9%	28	40.0	34,790	21.9
3.0% to 3.9%	24	34.3	81,200	51.0
4.0% to 4.9%	8	11.4	15,830	9.9
5.0% to 5.9%	1	1.4	1,020	0.6
7.0% and over	3	4.3	20,350	12.8
ALL LEVELS	70	100.0	159,130	100.0

Source: Workplace Information Directorate

Wage adjustments in the private sector were above those in the public sector from 1991 to 1999. In 1999, wage adjustments in the public sector averaged 1.9 per cent, and in the private sector, 2.7 per cent. However, in the year 2000, public-sector wage increases averaged 2.5 per cent, slightly above those in the private sector at 2.3 per cent. In the first quarter 2001, the difference widened, with public sector increases averaging 3.7 per cent compared to private sector increases at 2.4 per cent.

Alberta public-sector agreements, with increases averaging 5.9 per cent in the first quarter, led the upward trend in public-sector wage settlements. These results were significantly influenced by three health-sector agreements covering 20,350 nurses across the province, with wage increases averaging 7.1 per cent. Excluding the Alberta public sector settlements, all remaining public sector agreements would have averaged wage gains of 3.1 per cent and the resulting first quarter 2001 aggregate average would be 3.0 per cent.

Wage adjustments were also influenced by 25 Ontario public-sector settlements providing 44,240 employees with wage increases averaging 3.2 per cent. Most of these agreements were in the education sector. The British Columbia Government settled a master agreement with 32,000 public service employees (all categories) for wage increases averaging 3.0 per cent.

Wage Adjustments by Region/Jurisdiction

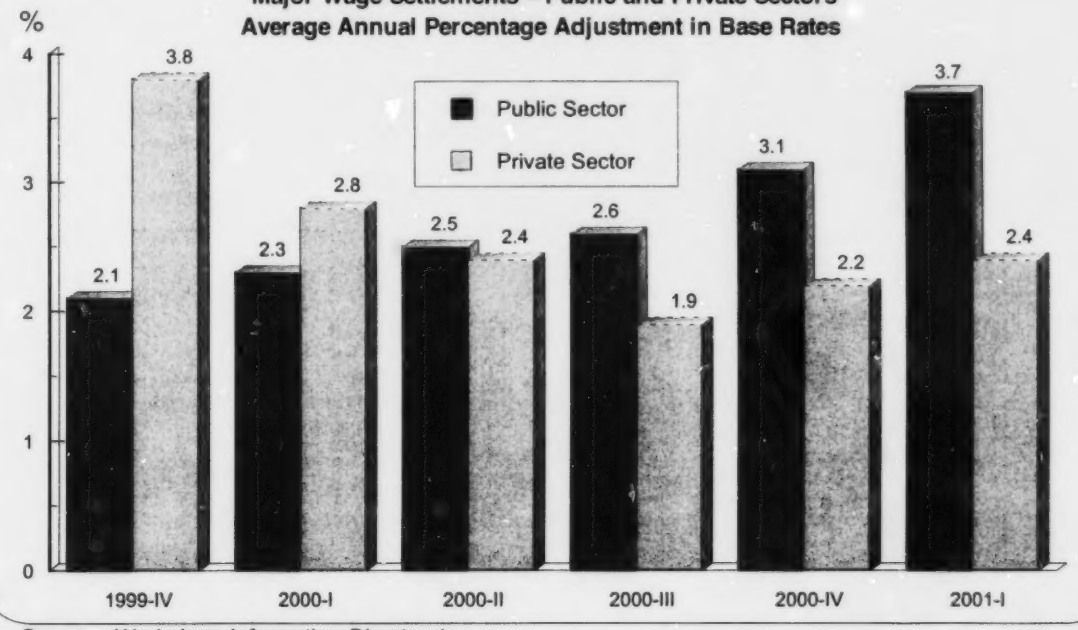
On a regional /jurisdictional basis, first quarter 2001 wage settlements were largest in the Prairie Provinces, with wage adjustments averaging 5.2 per cent; Alberta was the most active (12 of 19 agreements) and recorded the largest wage gains at 5.8 per cent. The larger wage increases were due in large part to the lucrative nursing settlements mentioned previously.

The second largest average wage increase was in Quebec at 3.9 per cent; however there were only three Quebec settlements in the first quarter, covering 3,310 employees.

In the Federal jurisdiction, wage increases averaged 3.3 per cent; there were five rail settlements including CN, CP and BC Rail, with wage increases ranging from 2.0 to 3.2 per cent.

Chart B

Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Ontario wage increases averaged 3.1 per cent. This province had the largest concentration of employees covered under first quarter settlements. There were 33 major settlements covering 51,020 employees, most of which were in the public sector (25 agreements covering 44,240 employees).

In British Columbia, three agreements provided 36,000 employees with wage increases averaging 2.9 per cent. Of these three settlements, the British Columbia Government master agreement had the largest employee coverage, with 32,000 public service workers receiving a wage increase of 3.0 per cent.

In the Atlantic Provinces, two settlements provided 6,260 employees with wage increases averaging 2.0 per cent. There was a single agreement in the Yukon Territories providing 690 elementary and secondary school teachers with a 3.2 per cent annual average increase.

Wage Adjustments by Industry

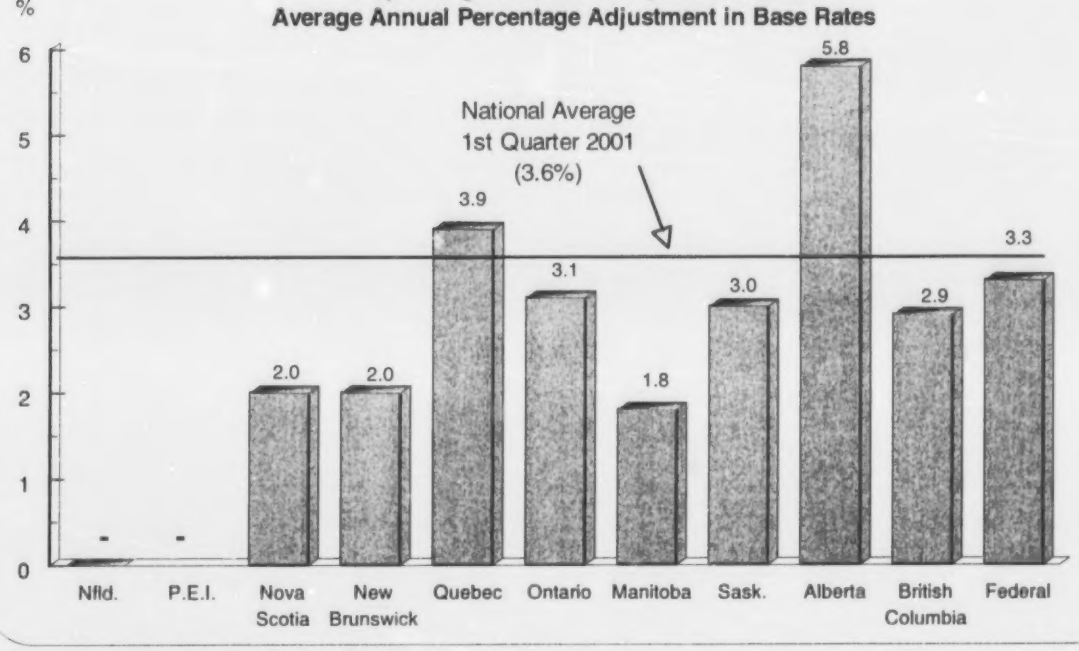
On an industry basis, the largest concentration of employees (52.6 per cent), the majority of agreements (55.7 per cent), and the largest average wage adjustments, were in the **education, health and social services sector**, with 83,700 workers in 39 settlements obtaining average wage gains of **4.2 per cent**. Wage increases in this sector ranged from 0.9 per cent for 1,400 office and clerical employees with the Upper Canada District School Board, to 7.1 per cent for 20,350 nurses in three Alberta health-sector agreements.

The second largest industry average was in the **information and cultural sector** but it was derived from a single agreement (Saskatchewan Telecommunications) providing 3,600 employees with wage gains averaging **3.7 per cent**.

In **public administration**, seven settlements provided 44,220 employees with increases averaging **3.1 per cent**. Wage increases ranged from 2.3 per cent for 2,260 finance employees with the Government of Canada, to 4.7 per cent for 5,350 correctional officers, also with the Government of Canada. All remaining industry divisions had average wage increases below the first-quarter national average of 3.6 per cent.

Chart C

Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



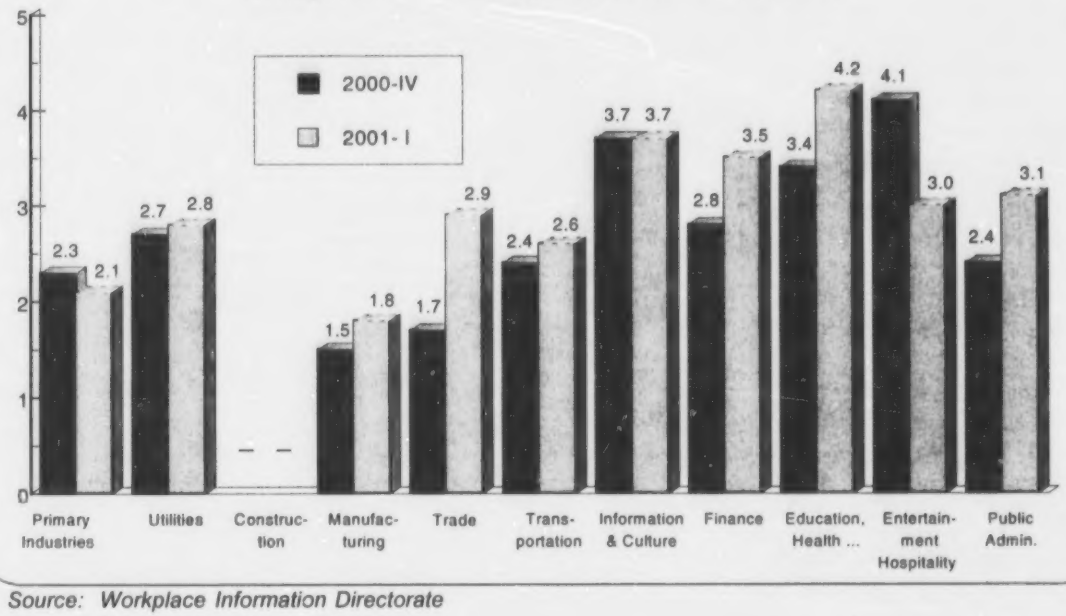
Source: Workplace Information Directorate

In **transportation**, seven agreements provided 10,960 employees with wage increases averaging **2.6 per cent**. All but one of these were rail agreements (CN, CP and BC Rail) with wage gains ranging from 2.0 to 3.2 per cent. The other was an agreement between the City of Winnipeg and 1,140 bus drivers for a wage increase averaging 2.1 per cent.

In **manufacturing**, eight agreements provided 7,030 employees with wage increases averaging **1.8 per cent**, the lowest in all industry groups. Wage increases ranged from a wage freeze for 1,020 production employees with the Garment Manufacturers Association of Western Canada, to a high of 3.0 per cent for 620 plant employees at Kodak Canada Inc.

Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

In the **utilities** sector, there were four major settlements providing 6,310 employees with wage increases averaging **2.8 per cent**. Two Toronto Hydro contracts were settled at 2.5 per cent, and both a Hydro One agreement in Ontario and a SaskPower agreement were reached with wage gains averaging 3.0 per cent.

The remaining industry sectors were each comprised of a single agreement. The **finance** sector recorded a wage increase averaging **3.5 per cent**, the **entertainment and hospitality** sector averaged an increase of **3.0 per cent** and the **trade** sector stood at **2.9 per cent**. There were no major agreements in the **construction** sector.

The full 2001 Calendar of Major Collective Agreement Expiries and Reopeners is now available on the Workplace Information Directorate Web site at:

http://labour.hrdc-drhc.gc.ca/doc/wid-dimt/eng/expreo.cfm

MAJOR SETTLEMENTS REACHED IN THE FIRST QUARTER 2001

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary Industries (1 agreement)	**1,260**	**2.1**	**3.1**	**42**	
Falconbridge Limited, production employees, Falconbridge, Ont.	1,260	2.1*	3.1	42	2004-01-31
Utilities (4 agreements)	**6,310**	**2.8**	**3.1**	**19.8**	
Hydro One, office and clerical employees, province-wide, Ont.	3,530	3.0	3.0	12	2002-03-31
SaskPower, plant and maintenance employees, province-wide, Sask.	1,340	3.0	3.8	36	2003-12-31
Toronto Hydro, hourly-rated employees, Toronto, Ont.	900	2.3*	2.5	24	2003-01-31
Toronto Hydro, salaried employees, Toronto, Ont.	540	2.2*	2.5	24	2003-01-31
Manufacturing (8 agreements)	**7,030**	**1.8**	**1.9**	**36.7**	
Atlas Speciality Steels, a Division of Atlas Steels Inc., plant and maintenance employees, Welland, Ont.	720	2.1*	2.0	36	2004-03-22
Cargill Limited, Cargill Foods Division, plant and maintenance employees, High River, Alta.	1,650	2.7	3.8	48	2004-12-31
Ford Electronics Manufacturing Corporation, production employees, Markham, Ont.	1,200	0.0	0.0	36	2004-01-09
Garment Manufacturers Association of Western Canada, production employees, Winnipeg, Man.	1,020	0.6	0.0	48	2004-12-14
General Electric Canada Inc., plant and maintenance employees, Pickering, Ont.	820	2.6*	1.6	36	2004-02-15
Johnson & Johnson Products Inc., hourly-rated employees, Montréal, Que.	500	2.6	3.0	36	2003-04-30
Kodak Canada Inc., plant and maintenance employees, Toronto, Ont.	620	3.0	3.0	12	2001-10-31
National Sea Products Limited, plant and maintenance employees, Lunenburg, N.S.	500	2.0*	2.0	12	2001-12-31
Wholesale and Retail Trade (1 agreement)	**720**	**2.9**	**3.6**	**36**	
Great Atlantic & Pacific Company of Canada Limited, grocery distribution centre employees, Toronto, Ont.	720	2.9	3.6	36	2003-10-11
Transportation (7 agreements)	**10,960**	**2.8**	**3.0**	**35.5**	
BC Rail Ltd., maintenance of way employees, province-wide, B.C.	500	2.5	2.5	24	2002-12-31
Canadian National Railway Company, office and clerical employees, system-wide (excl. Nfld.)	2,590	3.2	4.2	36	2003-12-31
Canadian National Railway Company, service and maintenance employees, system-wide	650	2.0	2.0	36	2003-12-31
Canadian National Railway Company, shopcraft employees, system-wide	2,550	3.1	4.0	36	2003-12-31
Canadian Pacific Limited, bridge and structure employees, system-wide	2,320	2.0	2.0	36	2003-12-31
Canadian Pacific Railway and St. Lawrence & Hudson Railway, non-operating employees, system-wide	1,210	2.0	2.0	36	2003-12-31
City of Winnipeg, bus drivers, Winnipeg, Man.	1,140	2.1*	2.3	36	2003-01-11
Information and Culture (1 agreement)	**3,600**	**3.7**	**3.0**	**36**	
Saskatchewan Telecommunications, telephone operators, province-wide, Sask.	3,600	3.7	3.0	36	2004-03-20

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Finance, Real Estate and Management Services (1 agreement)	**780**	**3.5**	**3.5**	**12**	
Canadian Imperial Bank of Commerce (Visa Centre), office and clerical employees, Toronto, Ont.	780	3.5	3.5	12	2002-02-28
Education, Health and Social Services (39 agreements)	**83,700**	**4.2**	**4.9**	**27.4**	
Bluewater District School Board, secondary teachers, Chesley, Ont.	570	3.6	3.6	12	2001-08-31
Calgary Regional Health Authority (Foothills Hospital), non-medical employees, Calgary, Alta.	2,280	4.0	4.0	12	2002-03-31
Calgary Regional Health Authority, non-medical employees, Calgary, Alta.	790	4.0	4.0	12	2002-03-31
Calgary Regional Health Authority, non-medical employees, Calgary, Alta.	750	4.0	4.0	12	2002-03-31
Calgary Regional Health Authority, non-medical employees, Calgary, Alta.	530	4.0	4.0	12	2002-03-31
Calgary Roman Catholic Separate School District No. 1, support employees, Calgary, Alta.	1,300	3.1	3.5	36	2002-08-31
Carleton University, teaching assistants, Ottawa, Ont.	1,200	3.8	3.5	24	2002-08-31
Conseil des écoles catholiques de langue française du Centre-Est, elementary teachers, Gloucester, Ont.	750	2.0	2.0	12	2001-08-31
Continuing Care Employers Association, nurses, province-wide, Alta.	500	7.1	10.3	24	2003-03-31
Diversicare I Limited Partnership, non-medical employees, Toronto, Ont.	890	2.9	2.5	36	2003-12-31
Emergency Health Services Commission, ambulance drivers, Vancouver, B.C.	3,500	2.2*	2.0	60	2005-03-31
Government of New Brunswick, non-medical employees, province-wide, N.B.	5,760	2.0	2.0	48	2003-06-30
Government of Yukon, elementary and secondary teachers, territory-wide, Y.T.	690	3.2	3.0	36	2003-06-30
Greater Essex County District School Board, elementary teachers, Windsor, Ont.	1,320	3.0	3.0	12	2001-08-31
Halton District School Board, secondary teachers, Burlington, Ont.	960	3.5	3.5	24	2002-08-31
Hastings and Prince Edward District School Board, office and clerical employees, Belleville, Ont.	690	1.9	2.0	26	2002-08-31
Kawartha Pine Ridge District School Board, secondary teachers, Peterborough, Ont.	1,000	3.4	3.4	12	2001-08-31
Lambton Hospital Group, health service-non-professionals, Sarnia, Ont.	560	2.6	2.9	36	2004-03-31
Lambton Kent District School Board, custodial, Sarnia, Ont.	780	1.5	1.9	24	2002-08-31
Peel District School Board, elementary teachers, Mississauga, Ont.	4,050	3.0	3.5	24	2002-08-31
Provincial Health Authorities of Alberta, nurses, province-wide, Alta.	18,400	7.1	10.3	24	2003-03-31
Provincial Health Authorities of Alberta, nurses, province-wide, Alta.	1,450	7.1	10.3	24	2003-03-31
Provincial Health Authorities of Alberta, office and clerical employees, province-wide (excl. Calgary), Alta.	3,320	4.9	7.0	36	2004-03-31
Queen's University, professors, Kingston, Ont.	860	2.0	2.0	12	2002-04-30
Rainbow District School Board, elementary teachers, Sudbury, Ont.	610	2.6	5.1	32	2003-08-31
Saskatchewan Institute of Applied Science and Technology, administrative services employees, province-wide, Sask.	560	3.0	3.0	36	2003-06-30
Saskatchewan Institute of Applied Science and Technology, Instructors/Tutors/Lecturers, province-wide, Sask.	1,030	3.0	3.0	36	2003-06-30

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Education, Health and Social Services (continued)					
Simcoe County District School Board, secondary teachers, Midhurst, Ont.	1,020	5.2	5.2	12	2001-08-31
St. Vital School Division No. 6, elementary and secondary teachers, St. Vital, Man.	650	2.0	2.0	24	2000-06-30
Toronto Catholic District School Board, secondary teachers, Toronto, Ont.	2,170	2.9	2.9	12	2001-08-31
Toronto District School Board, elementary teachers, Toronto, Ont.	10,600	3.9	3.0	24	2002-08-31
Toronto District School Board, secondary teachers, Toronto, Ont.	6,270	3.9	3.1	24	2002-08-31
University of Ottawa, professors, Ottawa, Ont.	850	1.7	1.7	12	2001-04-30
University of Quebec at Montréal, Instructors/Tutors/Lecturers, Montréal, Que.	1,970	4.1	4.2	36	2002-12-31
Université du Québec à Trois-Rivières, Instructors/Tutors/Lecturers, Trois-Rivières, Que.	840	4.1	3.3	48	2003-05-31
Upper Canada District School Board, office and clerical employees, Brockville, Ont.	1,400	0.9	0.0	44	2002-08-31
Upper Grand District School Board, elementary teachers, Guelph, Ont.	1,140	3.0	3.8	24	2002-08-31
York University, teaching assistants, Toronto, Ont.	600	2.0	2.0	24	2002-08-31
York University, teaching assistants, Toronto, Ont.	1,090	2.0	2.0	24	2002-08-31
Entertainment and Hospitality (1 agreement)	**550**	**3.0**	**3.0**	**36**	
Textile Rental Institute of Ontario, laundry and dry cleaners, Toronto, Ont.	550	3.0	3.0	36	2003-12-31
Public Administration (7 agreements)	**44,220**	**3.1**	**4.4**	**33.7**	
City of Edmonton, outside employees, Edmonton, Alta.	1,780	3.0	3.0	36	2002-12-28
City of Edmonton, police officers, Edmonton, Alta.	1,170	3.0	3.0	36	2002-12-28
City of Winnipeg, firefighters, Winnipeg, Man.	880	2.5*	2.5	24	2001-12-30
Government of British Columbia, all categories, province-wide, B.C.	32,000	3.0*	4.4	36	2004-03-31
Government of Canada, correctional officers, Canada-wide	5,350	4.7	6.9	24	2002-05-31
Government of Canada, finance employees, Canada-wide	2,260	2.3	2.0	24	2001-11-06
Niagara Parks Commission, recreational employees, Niagara Falls, Ont.	780	2.3	2.0	36	2003-10-31
Agreements with COLA (10 agreements)	**42,260**	**2.8***	**3.9**	**37.2**	
Agreements without COLA (60 agreements)	**16,870**	**3.9**	**4.5**	**27.6**	
All agreements (70 agreements)	**59,130**	**3.6**	**4.4**	**30.1**	

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate

Source: Workplace Information Directorate

The Collective Bargaining Bulletin, a monthly publication, contains a listing of formal and up-to-date summaries of the major settlements shown above.

Copies of these settlement summaries, available in English and French, can now be obtained by visiting NEGOTECH at < http://206.191.16.138/gol/ >. These summaries are also available from the Workplace Information Directorate at 1-800-567-6866 or Client Services at (819) 997-3117 or E-mail: wid-imt@hrdc-drhc.gc.ca or Internet: http://labour-travail.hrdc-drhc.gc.ca

Negotech

A searchable labour relations database developed and maintained by the Workplace Information Directorate, Human Resources Development Canada, providing timely information on the key aspects of collective bargaining in Canada through:

- settlement reports containing the highlights of important benefit changes including wage adjustments in recently signed collective agreements;
- access to full collective agreement contract language; and
- customized data searches.

For further information, contact the Workplace Information Directorate at:

1-800-567-6866 or (819) 997-3117
Web Site: http://hrdc.gc.ca/labour/nego

Table 1
Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Year												
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	276	17.0	635.2	3.9	283	26.1	521.0	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	321	25.3	709.2	3.6	232	26.0	412.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	294	30.0	736.0	5.2	159	28.6	265.8	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	301	21.7	975.9	2.0	195	32.2	330.9	2.6	496	24.3	1,306.8	2.1
1993	347	23.1	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	-0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	215	31.4	629.6	0.6	187	35.9	279.2	1.4	402	32.8	908.8	0.9
1996	212	31.7	564.3	0.5	166	34.7	246.1	1.7	378	32.6	810.4	0.9
1997	220	30.3	370.3	1.1	159	38.1	323.5	1.8	379	34.0	693.9	1.5
1998	221	31.1	646.3	1.6	182	34.4	274.4	1.8	403	32.1	920.6	1.7
1999	218	35.0	507.0	1.9	158	38.4	314.7	2.7	376	36.3	821.7	2.2
2000	292	33.5	907.6	2.5	97	42.9	164.2	2.3	389	34.9	1,071.8	2.5
2001 *	52	29.3	138.6	3.7	18	35.7	20.6	2.4	70	30.1	159.1	3.6
* Year to Date												
Quarter												
1998 I	45	36.4	97.0	2.1	23	33.6	38.3	2.3	68	35.6	135.3	2.1
II	56	32.0	157.5	1.7	71	27.9	111.3	1.7	127	30.3	268.7	1.7
III	52	33.2	186.5	1.2	54	40.9	85.9	1.8	106	35.6	272.4	1.4
IV	68	25.9	205.3	1.7	34	39.9	38.9	2.0	102	28.1	244.2	1.7
1999 I	78	32.5	192.2	1.3	30	38.1	55.7	2.2	108	33.8	247.9	1.5
II	71	37.4	205.0	2.4	54	40.6	64.0	2.5	125	38.2	268.9	2.4
III	33	36.9	50.0	2.3	42	37.5	127.5	2.4	75	37.3	177.5	2.4
IV	36	33.3	59.9	2.1	32	36.3	67.5	3.8	68	36.0	127.3	3.0
2000 I	123	39.9	497.3	2.3	29	32.8	43.2	2.8	152	39.4	540.4	2.4
II	57	21.3	209.2	2.5	28	40.9	33.2	2.4	85	24.0	242.4	2.5
III	40	33.6	76.9	2.6	20	52.0	59.9	1.9	60	41.6	136.8	2.3
IV	72	28.2	124.2	3.1	20	41.8	27.9	2.2	92	30.7	152.1	2.9
2001 I	52	29.3	138.6	3.7	18	35.7	20.6	2.4	70	30.1	159.1	3.6
II	-	-	-	-	-	-	-	-	-	-	-	-
III	-	-	-	-	-	-	-	-	-	-	-	-
IV	-	-	-	-	-	-	-	-	-	-	-	-

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 2

Effective Wage Adjustment in Base Rates, by Region/Jurisdiction, by Year and Quarter

	1998	1999	2000	2000 - 2001			
				2	3	4	1
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	1.7	2.2	2.5	2.5	2.3	2.9	3.6
Atlantic	2.1	2.0	2.6	2.4	2.7	3.9	2.0
Newfoundland	1.3	1.6	3.6	2.3	-	6.3	-
Prince Edward Island	2.1	2.7	2.2	2.2	-	-	-
Nova Scotia	2.9	2.1	2.2	-	-	-	2.0
New Brunswick	1.5	2.4	2.8	2.5	2.7	3.3	2.0
Quebec	1.1	1.6	2.3	2.7	2.8	2.6	3.9
Ontario	1.6	2.2	2.5	2.3	2.2	3.0	3.1
Prairies	2.4	3.0	3.8	5.2	2.6	3.5	5.2
Manitoba	1.4	2.5	2.6	2.4	2.4	3.5	1.8
Saskatchewan	1.8	2.0	3.5	-	-	3.6	3.0
Alberta	3.0	4.0	4.5	5.9	3.0	3.5	5.8
British Columbia	0.8	0.8	1.7	0.7	1.9	2.2	2.9
Territories	1.0	1.9	2.5	-	-	2.3	3.2
Multiprovince	1.7	2.8	2.1	1.8	2.7	-	-
Total Federal	2.1	2.8	2.2	2.0	3.0	2.4	3.3
Public Sector							
CANADA	1.6	1.9	2.5	2.5	2.6	3.1	3.7
Atlantic	2.1	1.8	2.9	2.6	-	4.4	2.0
Newfoundland	1.3	1.3	5.3	2.3	-	6.3	-
Prince Edward Island	2.1	2.9	2.2	2.2	-	-	-
Nova Scotia	3.0	2.3	2.2	-	-	-	-
New Brunswick	1.5	3.1	3.5	3.0	-	3.8	2.0
Quebec	1.3	1.7	2.3	2.3	2.2	2.9	4.1
Ontario	1.3	1.5	2.6	2.2	2.9	3.1	3.2
Prairies	2.2	2.9	3.8	5.2	2.6	3.5	5.4
Manitoba	1.2	2.5	2.6	2.4	2.4	3.5	2.2
Saskatchewan	1.8	2.2	3.5	-	-	3.6	3.0
Alberta	2.6	3.7	4.5	5.9	3.0	3.5	5.9
British Columbia	0.7	0.6	1.4	0.7	1.7	2.2	2.9
Territories	1.0	1.9	2.5	-	-	2.3	3.2
Multiprovince	-	-	-	-	-	-	-
Total Federal	2.2	2.8	2.2	2.1	3.4	2.4	3.9
Private Sector							
CANADA	1.8	2.7	2.3	2.4	1.9	2.2	2.4
Atlantic	1.8	2.2	1.8	1.7	2.7	0.0	2.0
Newfoundland	1.9	2.3	2.4	-	-	-	-
Prince Edward Island	-	2.3	-	-	-	-	-
Nova Scotia	1.8	1.9	1.7	-	-	-	2.0
New Brunswick	1.7	2.3	1.4	1.7	2.7	0.0	-
Quebec	1.0	1.6	2.9	3.4	3.9	2.0	2.6
Ontario	2.1	3.5	2.2	2.5	1.4	2.3	2.1
Prairies	3.2	3.8	3.9	-	-	-	1.9
Manitoba	1.6	3.1	3.1	-	-	-	0.6
Saskatchewan	1.1	0.8	-	-	-	-	-
Alberta	4.5	5.1	4.8	-	-	-	2.7
British Columbia	1.5	1.3	2.0	-	2.0	2.0	-
Territories	-	-	-	-	-	-	-
Multiprovince	1.7	2.8	2.1	1.8	2.7	-	-
Total Federal	1.7	2.8	2.2	1.6	2.6	2.3	2.7

Table 3

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	1998		1999		2000	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors						
CANADA	403	920.6	376	821.7	389	1,071.8
Atlantic	42	93.4	22	20.0	19	29.1
Newfoundland	7	25.4	8	9.7	4	5.0
Prince Edward Island	3	3.9	3	2.2	2	1.3
Nova Scotia	18	39.0	6	3.9	4	11.7
New Brunswick	14	25.0	5	4.3	9	11.1
Quebec	53	82.2	38	113.1	95	345.4
Ontario	143	270.1	174	316.2	142	281.2
Prairies	83	134.0	69	142.1	59	108.4
Manitoba	20	22.3	18	38.7	19	29.3
Saskatchewan	12	32.3	14	41.1	4	14.3
Alberta	51	79.4	37	62.4	36	64.8
British Columbia	35	151.8	25	71.9	33	64.4
Territories	1	2.3	2	4.6	3	5.5
Multiprovince	2	7.0	3	2.2	3	2.8
Total Federal	44	179.8	43	151.6	35	235.0
Public Sector						
CANADA	221	646.3	218	507.0	292	907.6
Atlantic	29	81.6	10	10.7	10	21.3
Newfoundland	6	22.9	4	6.6	3	2.0
Prince Edward Island	3	3.9	2	1.5	2	1.3
Nova Scotia	11	33.6	3	2.1	2	10.6
New Brunswick	9	21.1	1	0.6	3	7.3
Quebec	14	23.6	12	25.8	76	322.0
Ontario	78	167.9	115	211.7	99	204.1
Prairies	62	106.5	49	120.1	57	106.4
Manitoba	11	11.7	13	34.2	18	28.2
Saskatchewan	10	30.5	10	36.7	4	14.3
Alberta	41	64.3	26	49.2	35	63.9
British Columbia	15	133.7	13	57.6	25	38.9
Territories	1	2.3	2	4.6	3	5.5
Multiprovince	-	-	-	-	-	-
Total Federal	22	130.7	17	76.5	22	209.5
Private Sector						
CANADA	182	274.4	158	314.7	97	164.2
Atlantic	13	11.8	12	9.3	9	7.8
Newfoundland	1	2.5	4	3.1	1	3.0
Prince Edward Island	-	-	1	0.7	-	-
Nova Scotia	7	5.4	3	1.8	2	1.1
New Brunswick	5	3.9	4	3.7	6	3.7
Quebec	39	58.6	26	87.3	19	23.3
Ontario	65	102.2	59	104.5	43	77.1
Prairies	21	27.5	20	22.1	2	2.1
Manitoba	9	10.5	5	4.6	1	1.1
Saskatchewan	2	1.8	4	4.4	-	-
Alberta	10	15.1	11	13.1	1	1.0
British Columbia	20	18.2	12	14.3	8	25.5
Territories	-	-	-	-	-	-
Multiprovince	2	7.0	3	2.2	3	2.8
Total Federal	22	49.1	26	75.1	13	25.5

Table 3 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

2000 - 2001

	2		3		4		1	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors								
CANADA	85	242.4	60	136.8	92	152.1	70	159.1
Atlantic	5	4.0	1	0.5	4	7.6	2	6.3
Newfoundland	1	0.5	-	-	2	1.5	-	-
Prince Edward Island	2	1.3	-	-	-	-	-	-
Nova Scotia	-	-	-	-	-	-	1	0.5
New Brunswick	2	2.2	1	0.5	2	6.1	1	5.8
Quebec	12	16.4	6	5.6	11	19.4	3	3.3
Ontario	37	56.1	20	53.8	44	56.7	33	51.0
Prairies	13	31.5	15	22.6	14	29.6	19	40.5
Manitoba	2	6.3	11	15.7	3	4.7	4	3.7
Saskatchewan	-	-	-	-	3	13.8	3	2.9
Alberta	11	25.2	4	7.0	8	11.2	12	33.9
British Columbia	4	5.2	11	36.3	10	12.6	3	36.0
Territories	-	-	-	-	1	2.5	1	0.7
Multiprovince	2	2.0	1	0.8	-	-	-	-
Total Federal	12	127.3	6	17.2	8	23.8	9	21.3
Public Sector								
CANADA	57	209.2	40	76.9	72	124.2	52	138.6
Atlantic	4	3.2	-	-	3	6.8	1	5.8
Newfoundland	1	0.5	-	-	2	1.5	-	-
Prince Edward Island	2	1.3	-	-	-	-	-	-
Nova Scotia	-	-	-	-	-	-	-	-
New Brunswick	1	1.4	-	-	1	5.3	1	5.8
Quebec	6	10.3	4	3.6	5	12.6	2	2.8
Ontario	22	38.9	14	28.3	37	48.2	25	44.2
Prairies	13	31.5	15	22.6	14	29.6	17	37.9
Manitoba	2	6.3	11	15.7	3	4.7	3	2.7
Saskatchewan	-	-	-	-	3	13.8	3	2.9
Alberta	11	25.2	4	7.0	8	11.2	11	32.3
British Columbia	4	5.2	4	12.3	9	11.1	3	36.0
Territories	-	-	-	-	1	2.5	1	0.7
Multiprovince	-	-	-	-	-	-	-	-
Total Federal	8	120.1	3	10.1	3	13.3	3	11.2
Private Sector								
CANADA	28	33.2	20	59.9	20	27.9	18	20.6
Atlantic	1	0.8	1	0.5	1	0.8	1	0.5
Newfoundland	-	-	-	-	-	-	-	-
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	-	-	-	-	1	0.5
New Brunswick	1	0.8	1	0.5	1	0.8	-	-
Quebec	6	6.1	2	2.0	6	6.7	1	0.5
Ontario	15	17.2	6	25.5	7	8.5	8	6.8
Prairies	-	-	-	-	-	-	2	2.7
Manitoba	-	-	-	-	-	-	1	1.0
Saskatchewan	-	-	-	-	-	-	-	-
Alberta	-	-	-	-	-	-	1	1.7
British Columbia	-	-	7	24.0	1	1.5	-	-
Territories	-	-	-	-	-	-	-	-
Multiprovince	2	2.0	1	0.8	-	-	-	-
Total Federal	4	7.2	3	7.1	5	10.4	6	10.1

Table 4

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by Year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Primary Industries												
1998	2	36.0	1.8	1.1	-	-	-	-	2	36.0	1.8	1.1
1999	4	47.8	2.9	1.8	4	45.2	3.8	2.5	8	46.3	6.7	2.2
2000	-	-	-	-	3	36.0	4.9	1.6	3	36.0	4.9	1.6
2000 II	-	-	-	-	2	36.0	4.2	1.5	2	36.0	4.2	1.5
III	-	-	-	-	-	-	-	-	-	-	-	-
IV	-	-	-	-	1	36.0	0.7	2.3	1	36.0	0.7	2.3
2001 I	-	-	-	-	1	42.0	1.3	2.1	1	42.0	1.3	2.1
Utilities												
1998	9	26.6	21.6	2.4	1	36.0	0.5	2.1	10	26.9	22.1	2.4
1999	14	50.8	30.1	1.8	2	24.0	1.6	2.4	16	49.5	31.7	1.8
2000	13	25.2	25.6	3.2	-	-	-	-	13	25.2	25.6	3.2
2000 II	2	18.4	1.9	2.8	-	-	-	-	2	18.4	1.9	2.8
III	4	36.0	5.8	2.5	-	-	-	-	4	36.0	5.8	2.5
IV	3	29.5	4.1	2.7	-	-	-	-	3	29.5	4.1	2.7
2001 I	2	18.6	4.9	3.0	2	24.0	1.4	2.2	4	19.8	6.3	2.8
Construction												
1998	46	34.1	94.6	2.4	3	48.0	2.2	3.1	49	34.4	96.8	2.4
1999	21	36.1	97.8	2.0	-	-	-	-	21	36.1	97.8	2.0
2000	6	23.0	8.1	3.8	1	48.0	0.5	2.7	7	24.4	8.6	3.7
2000 II	-	-	-	-	-	-	-	-	-	-	-	-
III	1	36.0	0.8	2.7	1	48.0	0.5	2.7	2	40.6	1.3	2.7
IV	-	-	-	-	-	-	-	-	-	-	-	-
2001 I	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing												
1998	48	30.5	61.2	0.9	25	38.2	23.3	3.1	73	32.6	84.6	1.5
1999	42	52.9	30.1	1.8	31	35.5	72.3	4.2	73	40.6	102.9	3.5
2000	34	34.9	46.3	2.1	17	37.4	21.7	3.0	51	35.7	68.0	2.4
2000 II	11	42.3	7.3	2.5	7	39.6	9.3	3.2	18	40.8	16.7	2.9
III	5	36.0	20.7	2.0	3	43.2	3.0	3.5	8	36.9	23.7	2.2
IV	7	36.5	7.4	1.4	1	36.0	0.5	3.3	8	36.4	7.9	1.5
2001 I	5	39.4	5.0	1.7	3	30.1	2.0	2.3	8	36.7	7.0	1.8
Wholesale and Retail Trade												
1998	12	39.4	17.6	1.8	-	-	-	-	12	39.4	17.6	1.8
1999	10	32.6	11.8	1.6	1	36.0	5.2	0.6	11	33.7	17.0	1.3
2000	12	53.3	37.1	1.9	2	71.4	10.6	1.0	14	57.3	47.7	1.7
2000 II	2	44.8	3.0	2.5	-	-	-	-	2	44.8	3.0	2.5
III	3	60.5	19.9	1.7	1	72.0	7.6	1.0	4	63.6	27.5	1.5
IV	5	44.6	5.0	2.1	1	70.0	3.0	1.0	6	54.1	8.0	1.7
2001 I	1	36.0	0.7	2.9	-	-	-	-	1	36.0	0.7	2.9
Transportation												
1998	21	35.3	35.6	2.1	2	41.3	3.5	1.9	23	35.9	39.1	2.1
1999	19	37.9	47.2	2.9	4	43.0	12.8	2.3	23	39.0	60.0	2.8
2000	13	36.9	33.5	2.5	4	33.3	50.8	2.1	17	34.7	84.3	2.3
2000 II	3	45.9	6.6	2.3	1	60.0	0.9	1.6	4	47.6	7.5	2.2
III	1	49.0	2.6	2.6	1	60.0	4.4	1.3	2	55.9	7.0	1.8
IV	4	29.5	10.8	2.4	1	48.0	0.5	2.3	5	30.4	11.3	2.4
2001 I	6	35.4	9.8	2.6	1	36.0	1.1	2.1	7	35.5	11.0	2.6

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 4 (continued)

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by Year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Information and Culture												
1998	11	40.9	23.3	1.1	1	48.0	1.1	2.4	12	41.2	24.4	1.1
1999	14	32.6	34.8	2.5	4	56.7	11.2	2.4	18	38.5	46.0	2.5
2000	8	39.4	10.3	2.9	-	-	-	-	8	39.4	10.3	2.9
2000 II	-	-	-	-	-	-	-	-	-	-	-	-
III	1	36.0	1.7	2.0	-	-	-	-	1	36.0	1.7	2.0
IV	4	42.5	4.6	3.7	-	-	-	-	4	42.5	4.6	3.7
2001 I	1	36.0	3.6	3.7	-	-	-	-	1	36.0	3.6	3.7
Finance, Real Estate and Management Services												
1998	12	24.2	22.8	0.7	2	50.4	1.3	2.6	14	25.6	24.2	0.8
1999	4	34.5	2.9	2.8	-	-	-	-	4	34.5	2.9	2.8
2000	8	40.4	20.0	2.5	2	48.3	3.9	3.0	10	41.7	23.9	2.6
2000 II	4	29.0	4.5	1.7	1	36.0	1.1	2.8	5	30.4	5.6	1.9
III	3	46.2	14.4	2.7	1	53.0	2.8	3.0	4	47.3	17.2	2.8
IV	-	-	-	-	-	-	-	-	-	-	-	-
2001 I	1	12.0	0.8	3.5	-	-	-	-	1	12.0	0.8	3.5
Education, Health and Social Services												
1998	133	32.9	350.8	1.4	2	28.1	1.1	0.8	135	32.9	351.9	1.4
1999	139	36.5	298.3	1.8	-	-	-	-	139	36.5	298.3	1.8
2000	189	38.2	491.6	2.6	2	31.7	1.4	3.6	191	38.1	493.0	2.6
2000 II	34	30.3	52.9	3.7	-	-	-	-	34	30.3	52.9	3.7
III	16	21.2	24.7	2.8	1	24.0	0.5	1.6	17	21.2	25.2	2.8
IV	46	24.6	74.3	3.4	1	36.0	0.9	4.7	47	24.7	75.2	3.4
2001 I	38	26.0	80.2	4.3	1	60.0	3.5	2.2	39	27.4	83.7	4.2
Entertainment and Hospitality												
1998	10	38.2	9.9	3.5	1	36.0	0.6	1.5	11	38.1	10.5	3.4
1999	14	33.6	13.3	2.6	-	-	-	-	14	33.6	13.3	2.6
2000	5	47.1	7.1	3.1	-	-	-	-	5	47.1	7.1	3.1
2000 II	-	-	-	-	-	-	-	-	-	-	-	-
III	3	44.4	4.0	2.3	-	-	-	-	3	44.4	4.0	2.3
IV	2	50.5	3.1	4.1	-	-	-	-	2	50.5	3.1	4.1
2001 I	1	36.0	0.6	3.0	-	-	-	-	1	36.0	0.6	3.0
Public Administration												
1998	62	28.6	247.8	1.8	-	-	-	-	62	28.6	247.8	1.8
1999	48	28.6	144.3	2.2	1	36.0	0.7	2.3	49	28.6	145.0	2.2
2000	69	25.9	293.3	2.3	1	36.0	5.3	2.3	70	26.1	298.6	2.3
2000 II	17	17.1	145.5	2.1	1	36.0	5.3	2.3	18	17.8	150.7	2.1
III	15	35.5	23.4	2.6	-	-	-	-	15	35.5	23.4	2.6
IV	16	33.6	37.2	2.4	-	-	-	-	16	33.6	37.2	2.4
2001 I	5	27.9	11.3	3.6	2	35.7	32.9	3.0	7	33.7	44.2	3.1

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 5

Effective Adjustment in Base Rates, Number of Agreements and Employees Covered, by Year and Quarter

	1998	1999	2000	2000 - 2001			
				1	2	3	4
All Industries							
Wage Adjustment (%)	1.7	2.2	2.5	2.5	2.3	2.9	3.6
Number of Agreements	403	376	389	85	60	92	70
Number of Employees (000's)	920.6	821.7	1,071.8	242.4	136.8	152.1	159.1
Private Sector							
Wage Adjustment (%)	1.8	2.7	2.3	2.4	1.9	2.2	2.4
Number of Agreements	182	158	97	28	20	20	15
Number of Employees (000's)	274.4	314.7	164.2	33.2	59.9	27.9	20.6
Public Sector							
Wage Adjustment (%)	1.6	1.9	2.5	2.5	2.6	3.1	3.7
Number of Agreements	221	218	292	57	40	72	52
Number of Employees (000's)	646.3	507.0	907.6	209.2	76.9	124.2	138.6
Federal Administration							
Wage Adjustment (%)	2.2	2.9	2.1	2.0	2.2	2.4	4.0
Number of Agreements	16	10	18	7	2	3	2
Number of Employees (000's)	124.2	53.2	154.8	119.5	2.1	13.3	7.6
Federal Crown Corporations							
Wage Adjustment (%)	2.2	2.3	2.2	3.4	-	-	-
Number of Agreements	7	6	3	1	-	-	-
Number of Employees (000's)	8.3	19.8	46.6	0.6	-	-	-
Provincial Administration							
Wage Adjustment (%)	1.7	1.6	2.5	2.6	2.3	2.7	2.9
Number of Agreements	30	21	37	4	11	6	4
Number of Employees (000's)	112.2	73.9	114.4	4.1	30.7	11.1	36.8
Local Administration							
Wage Adjustment (%)	1.5	2.3	2.5	2.5	2.6	2.6	2.7
Number of Agreements	32	34	33	10	6	13	4
Number of Employees (000's)	48.3	44.2	69.2	30.8	5.8	20.1	5.0
Education, Health and Welfare							
Wage Adjustment (%)	1.4	1.8	2.6	3.7	2.8	3.4	4.3
Number of Agreements	134	137	190	33	17	48	37
Number of Employees (000's)	351.3	292.7	491.0	52.4	25.2	76.3	79.3
Public Utilities							
Wage Adjustment (%)	1.4	2.1	3.4	2.8	3.2	2.8	3.2
Number of Agreements	2	10	11	2	4	2	5
Number of Employees (000's)	2.1	23.3	31.5	1.9	13.1	3.3	9.9

Table 6

Selected Economic Indicators, by Year and Quarter

	1998	1999	2000	2000 - 2001			
				2	3	4	1
Wage Settlements (%)	1.7	2.2	2.5	2.5	2.3	2.9	3.6
Public Sector (%)	1.6	1.9	2.5	2.5	2.6	3.1	3.7
Private Sector (%)	1.8	2.7	2.3	2.4	1.9	2.2	2.4
Agreements in Force (%)	1.7	1.9	2.2	2.2	2.3	2.3	2.4
Public Sector (%)	1.4	1.7	2.1	2.1	2.2	2.2	2.3
Private Sector (%)	2.3	2.2	2.4	2.4	2.5	2.5	2.5
Consumer Price Index Per Cent Change[1]	0.9	1.7	2.7	2.4	2.7	3.1	2.8
GDP[2] at Factor Cost[3] Per Cent Change[1]	3.1	4.3	4.5	4.9	4.1	3.9	2.6
Labour Productivity Growth (%)	0.7	1.5	1.2	1.3	1.3	0.4	-0.7
Unit Labour Cost (%)	1.4	1.3	2.0	2.5	1.8	2.2	2.6
Unemployment Rate[3] (%)	8.3	7.6	6.8	6.7	6.9	6.9	7.0
Employment (000's)[3]	14,140	14,531	14,910	14,881	14,918	15,028	15,062
Per Cent Change[1]	2.7	2.8	2.6	2.8	2.3	2.3	1.6
Average Weekly Earnings[3]	$632.09	$638.83	$653.49	$651.70	$656.37	$657.81	$661.18
Per Cent Change[1]	1.4	1.1	2.3	2.3	2.3	2.5	2.0
Average Hourly Earnings	$15.81	$16.07	$16.52	$16.56	$16.45	$16.47	$16.64
Per Cent Change[1]	1.5	1.6	2.8	3.4	2.9	1.5	0.2

[1] Per cent change from the same period of the previous year

[2] GDP – Gross domestic product at factor cost (1992) prices

[3] Seasonally adjusted data

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated **cost-of-living allowance (COLA)** payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an **inflation projection of 2.0 per cent** has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the federal government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and territorial governments

(a) provincial and territorial government administration;

(b) health, education and social services agencies or institutions:
  (i) public hospitals,
  (ii) provincial residential care facilities,
  (iii) universities,
  (iv) colleges, vocational and trade institutions,
  (v) social services business enterprise,
  (vi) provincial elementary and secondary schools.

(3) Local Government Administration

(a) local government organizations such as: municipalities, boards, commissions;

(b) school boards;

(c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

(a) a government holds more than 50 per cent of its voting equity, directly;

(b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

(a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
  (i) the holding is the largest block of voting equity; and
  (ii) the holding exceeds 33.3 per cent of the voting equity; and
  (iii) the block is larger than the combined percentage of the next two largest blocks;

(b) the commercial enterprise declares that it is effectively controlled by a government;

(c) there exists a method or variety of methods (e.g., significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

Conversion to a Modified NAICS 1997

The Workplace Information Directorate has converted its definition of industrial structure to the North American Industry Classification System (NAICS). NAICS is a classification system developed by the statistical agencies of Canada, Mexico and the United States to provide common definitions on the industrial structure of the three economies. Using the NAICS framework, 20 larger sectors were regrouped into 11 large industry sectors.

NAICS (1997) (20 sectors)		NAICS – LABOUR (11 sectors)
(11)	Agriculture, forestry, fishing and hunting	— Primary Industries
(21)	Mining and Oil and Gas Extraction	
(22)	Utilities (electric power, gas distribution, water supply, sewage...)	— Utilities
(23)	Construction	— Construction
(31 to 33)	Manufacturing	— Manufacturing
(41)	Wholesale Trade	— Wholesale and Retail Trade
(44, 45)	Retail Trade	
(48, 49)	Transportation (postal services, couriers, warehousing and storage)	— Transportation
(51)	Information and Cultural Industries (publishing, broadcasting, telecommunications, information services)	— Information and Culture
(52)	Finance and Insurance	— Finance, Real Estate and Management Services
(53)	Real Estate and Rental and Leasing	
(54)	Professional, Scientific and Technical Services (advertising, translation, vetenary services...)	
(55)	Management of Companies and Enterprises	
(56)	Administrative and Support, Waste Management and Remediation Services (employment and travel agencies, security guard services, business support services)	
(61)	Educational Services	— Education, Health and Social Services
(62)	Health Care and Social Assistance	
(71)	Arts, Entertainment and Recreational Services	— Entertainment and Hospitality
(72)	Accommodation and Food Services	
(81)	Other Services (barber shops, funeral homes, dry cleaning, photo finishing, parking lots)	
(91)	Public Administration (federal, provincial and municipal administration)	— Public Administration

WORK STOPPAGES – 2001 AND CHRONOLOGICAL PERSPECTIVE

Workplace Information Directorate
Labour Program, Human Resources Development Canada

Major Work Stoppages (500 or more workers)

Summary

There were 11 work stoppages involving 500 and more workers during the first quarter of 2001 in Canada. In Ontario, the strikes at Falconbridge Ltd. and at McMaster University respectively represent 43,710 and 34,650 person-days not worked, which is approximately 38 per cent of the person-days not worked during the first quarter. During the same period, the strike by the Calgary Transit workers accounted for 60,450 person-days not worked.

Table 1

Major Work Stoppages by Jurisdiction
First Quarter 2001

Jurisdiction	Stoppage	Workers Involved	Person-Days Not Worked
Newfoundland	-	-	-
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	1	2,500	7,140
Quebec	2	2,135	13,930
Ontario	6	19,700	124,490
Manitoba	-	-	-
Saskatchewan	-	-	-
Alberta	1	1,950	60,450
British Columbia	-	-	-
Territories	1	614	900
Multiprovince	-	-	-
Total Provinces	**11**	**26,899**	**206,910**
Canada Labour Code-Part I	-	-	-
Federal Administration	-	-	-
Federal Total	-	-	-
Total	**11**	**26,899**	**206,910**

Source: Workplace Information Directorate

Table 2

Major Work Stoppages by Industry
First Quarter 2001

Industries	Stoppage	Workers Involved	Person-Days Not Worked
Primary Industries	2	2,510	56,810
Manufacturing	1	2,000	18,330
Construction	-	-	-
Transportation, Communication and Other Utilities	1	1,950	60,450
Trade and Finance	1	825	830
Community, Business and Personal Services	6	19,614	70,490
Public Administration	-	-	-
Various Industries	-	-	-
Total	**11**	**26,899**	**206,910**

Source: Workplace Information Directorate

All Work Stoppages (one or more workers)

Table 3

All Work Stoppages by Jurisdiction
Fourth Quarter 2000

Jurisdiction	Cumulative to December 31, 2000 Stoppage	Workers Involved	Person-Days Not Worked
Newfoundland	13	3,640	29,270
Prince Edward Island	-	-	-
Nova Scotia	5	259	10,250
New Brunswick	4	1,232	24 270
Quebec	119	25,188	312,580
Ontario	141	52,492	647,590
Manitoba	10	1,448	40,890
Saskatchewan	5	433	12,710
Alberta	11	8,500	59,380
British Columbia	46	40,767	399,180
Territories	1	420	1,260
Multiprovince	1	84	2,450
Total Provinces	**356**	**134,463**	**1,539,830**
Canada Labour Code-Part I	21	9,107	121,820
Federal Administration	-	-	-
Federal Total	21	9,107	121,820
Total	**377**	**143,570**	**1,661,650**

Source: Workplace Information Directorate

Table 4

All Work Stoppages by Industry
Fourth Quarter 2000

Industries	Cumulative to December 31, 2000 Stoppage	Workers Involved	Person-Days Not Worked
Primary Industries	15	17,002	286,020
Manufacturing	135	22,441	440,680
Construction	7	865	15,540
Transportation, Communication and Other Utilities	40	7,438	105,170
Trade and Finance	49	10,764	122,230
Community, Business and Personal Services	107	49,098	472,950
Public Administration	24	35,962	219,060
Various Industries	-	-	-
Total	**377**	**143,570**	**1,661,650**

Source: Workplace Information Directorate

A weekly listing of major work stoppages in Canada and a full chronological perspective are available on the Workplace Information Directorate Web site at:

http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/

Table 5

Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,070	0.05
1996	297	330	281,816	3,351,850	0.11
1997	229	284	257,664	3,610,210	0.12
1998	341	381	244,402	2,443,880	0.08
1999	358	413	158,612	2,445,740	0.08
2000	319	377	143,570	1,661,650	0.05
2000					
January	27	85	18,169	146,130	0.06
February	26	84	11,832	72,630	0.03
March	31	89	36,038	162,440	0.06
April	36	93	24,517	153,400	0.06
May	29	93	13,991	114,270	0.04
June	25	97	23,101	141,520	0.05
July	25	80	18,780	135,650	0.05
August	24	79	10,374	106,460	0.04
September	22	76	17,186	115,360	0.04
October	36	87	33,054	194,780	0.07
November	18	77	16,867	203,810	0.07
December	20	77	10,985	115,170	0.04

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

TECHNICAL NOTES

Data on work stoppages collected by the Workplace Information Directorate of the Labour Program of Human Resources Development Canada covers strikes and lockouts which amount to ten or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A strike will be declared illegal if it does not respect the applicable laws. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during the negotiating process.

Developments leading to work stoppages are sometimes too complex to make it practicable to distinguish between strikes on the one hand and lockouts on the other.

The major characteristics of work stoppages on which information is gathered are:

Employer – Firm or firms employing the workers reported on strike or locked out.

Location – Location of the plant or premises at which the work stoppage occurred.

Industry – Industry of employer according to the Standard Industrial Classification, Statistics Canada (Revised 1970).

Union – The workers' organization(s) directly involved or concerned in the dispute that led to work stoppage.

Workers Involved – The total number, or approximate total number, of workers reported on strike or locked out, whether or not they all belonged to the union directly involved in the dispute that led to work stoppage. Where the number of workers involved varied in the course of the stoppage, the maximum number is used in tabulating annual or other totals. (Where a stoppage commenced in a previous year, the maximum number during the whole stoppage is the number used). Monthly totals are similarly based on the highest figures but allowance is made for changes reported in stoppages extending over two or more months. The total number of workers shown may include the same workers more than once if they are involved in more than one work stoppage during the year (or other reference period). Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on workers involved.

Starting Date – The day on which the work stoppage began.

Termination Date – For work stoppages that are terminated by mutual agreement, the termination date is the day on which work was resumed. Where normal operations could not be resumed shortly after the employees agreed to return, the day on which they were available for work is regarded as the termination date. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the workers involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the work stoppage would not be resumed.

Duration – The duration of each stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week).

Duration in Person-Days – Duration in working days multiplied by the number of workers involved. For work stoppages involving establishments in which the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. Variations in the number of workers involved in the course of a stoppage are also taken into account in the calculation as far as practicable. The data on duration of work stoppages in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended as a

measure of the loss of production time to the economy. The expression "Time loss" is occasionally used instead of "duration in person-days". The term most commonly used is person-days not worked due to the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid workers in Canada obtained from the Labour Force Survey of Statistics Canada.

Jurisdiction – Statistics on work stoppages are also classified according to jurisdiction. This is done on the basis of the government and those businesses covered by Part 1 of the *Canadian Labour Code* whose industrial relations statistics are applicable to the establishment involved in the dispute. (The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province, except where the Federal jurisdiction is involved.)

The data reflect all work stoppages that have come to the notice of Workplace Information Directorate, and meet the criteria defined above, e.g., minimum person-days. The methods used to secure this information are believed to be adequate to preclude the possibility of major omissions.

INNOVATIVE WORKPLACE PRACTICES

Suzanne Payette
Workplace Information Directorate
Labour Program, Human Resources Development Canada

This overview of innovative practices is drawn from settlement reports of approximately 75 collective agreements that were settled in January, February and March 2001.

Duration

For the second quarter, the long-term trend to collective agreements has been broken. In fact, long-term agreements are the exception in this quarter. Loblaws Supermarkets and United Food and Commercial Workers Union have signed a 72-month agreement; Mont-Tremblant Station and Scott Papers have signed 60-month agreements; British Columbia's Kootenay Lake Board of Trustees and the Canadian Union of Public Employees have signed a 54-month agreement; 48-month agreements were signed by the following: Government of Quebec and Quebec Provincial Police Association, an Ontario Kawartha Pine Ridge District School Board, the Waterfront Foremen Employers Association and the International Longshore and Warehouse Union Canada, Danone Waters and the United Food and Commercial Workers Union.

By far, the most prevalent duration this quarter is the 36-month agreement. There are also a number of 24-month agreements and a surprising number of 12 month agreements, many in the education sector of Ontario.

Labour-Management Committees

Provisions dealing with the creation of joint labour-management committees are very popular. For example, at Saskatchewan Telecommunications, an advisory labour-management committee is the final decision-making body for all job ratings. In the Toronto District School Board, a labour-management Benefits Review Committee will focus on cost containment, benefits improvements and efficiencies. A number of school boards have introduced staffing and surplus/transfer joint committees. Route assignments (Maple Lodge Farms) and work schedules (Danone Waters) are handled through labour-management joint committees. At Hub Meat Packers, a joint committee was created to focus on absenteeism reduction and target setting.

Compensation and Working Conditions

Hub Meat Packers and United Food and Commercial Workers Union have renewed a **profit-sharing plan** where employees will receive the greater of $250 or 6.0 per cent of company profits in each year. Alcan Smelters and Chemicals has a **target bonus** of 6.0 per cent linked to business centre and overall profits. AT&T Canada Long Distance Services has set

Distribution of Contract Duration, 1995-2000

Year	Number of Agreements	1 Year and Less	More Than 1 to 2 Years	More Than 2 to 3 Years	More Than 3 Years	Average Duration
		(%)	(%)	(%)	(%)	(in months)
1995	402	14	21	51	14	32.8
1996	378	16	31	38	15	32.6
1997	379	17	26	36	21	34.0
1998	403	7	29	43	21	32.0
1999	377	6	31	37	25	36.4
2000	374	13	17	38	32	35.3

a **performance bonus** at 4.0 per cent to be paid if the company meets its performance targets. Aventis Pasteur has introduced a **performance bonus** of $500 to be paid at the end of the second year of the agreement, based on the successful attainment of five company objectives. Hydro One reports a **performance pay plan** where minimum performance payouts of 1.0 per cent of base payroll based on corporate and line of business results, with a payout capped at 4.0 percent.

Canadian Pacific Limited and the Steelworkers have improved a **gain-sharing plan** based on specific performance criteria, where participating employees will share 40 per cent of the productivity gains achieved in each year of the contract. Enbridge Consumers Gas has introduced a **profit-sharing plan** where corporate and team targets of 2.5 per cent are achieved, eligible employees will receive between 0.0 and 3.75 per cent of base income as a lump-sum payment.

Canadian Pacific Limited has introduced an employee **stock purchase plan** where the employer pays brokerage fees.

Alcan Smelters and Chemicals has settled a market-based salary adjustment. Wage adjustments are based on the aluminum industry wage rates, with a guarantee of 1.0 per cent more than the highest rate in the industry using a weighted average. The market-based adjustment for 2002 will be paid following a survey of wages in 12 major companies. If Alcan's adjustment including the 1.0 per cent guarantee is greater than 3.0 per cent, employees will receive half of the difference as a lump-sum payment. Furthermore, a joint committee will negotiate wage adjustments (as a wage reopener) for 2002 and 2003 using Consumer Price Index forecasts for the next year, salary increase projections, the overall economy, wage increases and Alcan's overall financial situation.

WORKPLACE INFORMATION DIRECTORATE

Labour Program
Human Resources Development Canada

Did you know... Visit our Internet site

Your link to the Labour Program's Workplace Information Directorate is
http://labour-travail.hrdc-drhc.gc.ca/

Available now:

- Recent Trends/Releases/Data on Industrial Relations and Collective Bargaining.
- Information Products and Service:
  - sample pages of our products;
  - access to a past quarterly issue of the *Wage Settlements Bulletin*;
  - access to a listing of articles and case studies published in the *Workplace Gazette*;
  - searchable *Labour Organizations* database.
- Online request for information and subscription forms.

REORGANIZING THE SOBEYS' DISTRIBUTION CENTRE IN MONTRÉAL

Michel Brossard
School of Industrial Relations
Université de Montréal

Since 1998, the Sobeys' Distribution Centre in Montréal (previously Les Marchands en alimentation Agora inc.) has been implementing an ambitious business plan. Over the seven-year period to 2005, the two main aims are to dramatically improve labour-management relations and reorganize the work to integrate as closely as possible the various components of the distribution chain. The distribution chain stretches from Sobeys' suppliers, at one end, to its customers – independently owned stores – at the other. The plan, initiated in 1998, has undergone several modifications with regard to their sequential order and implementation timetable. However, management and union share the view that the development of a new relationship depends on a spirit of partnership and that "principled negotiation" has been the key factor in the positive way that the changes have taken place.

Major Changes in the Food Industry

During the last 10 years, the retail food sector has undergone substantial shifts. While there has been a wide variety of changes, industry specialists generally describe the situation in terms of a few main trends.[1] First, the most striking aspect of the food industry today is the steady quantitative demand. This characteristic is directly linked to the low population growth rate, which is now largely dependent on immigration. Fixed demand is forcing food companies to increase market share at the expense of their competitors. In turn, the saturated market is associated with qualitative changes that are reflected in new consumption patterns. The overall aging of the population, increasing time pressures, an ethnically diverse and pluralistic consumer base, the changing composition of families and households, and new income distribution patterns are just some of the factors that create challenges for food companies in terms of anticipating what foods people will buy and how often they will go to the supermarket, and how these factors affect store layout and specialization.

At the same time, changes have taken place on the supply side as well. Over the last five years, there has been a major restructuring of the leading players, including a number of continent-wide mergers of huge food chains. This trend began in the United States with the important mergers of, first, Kroger and Fred Meyer, and then Albertson and American Stores. The same trend spread to Canada in 1998 with the mergers, in quick succession, of Loblaws and Provigo, and then Sobey's and Oshawa. This trend towards greater concentration of food-industry ownership has particular implications for Quebec, since, unlike the other provinces, most of the food market in Quebec (approximately 63 per cent) is in the hands of affiliated independent owner-operators. Several of these operators perceive that the recent mergers in Canada are just the beginning of a major offensive by the huge Canada-wide chains to obtain the same market-share pattern in Quebec as the one they have attained in the rest of Canada. Added to this type of supply-side restructuring has been the heightened level of competition caused by the arrival of several new players. Food chains now have to face competition from superstores, "big box" stores, warehouse clubs, and even service stations and drugstores. These non-traditional competitors have become a particular threat, as their share of the food market increased from 6.8 per cent in 1984 to 18 per cent in 1996.

[1] Canadian Labour Market and Productivity Centre, Creating the Future: Human Resources Study of the Canadian Food Retail and Wholesale Sector, 1998, 128 pages.
Gilles Corriveau, Profil socio-économique du commerce de détail en alimentation au Québec (a study conducted for the Quebec food retailers' association), 1998, 52 pages.

The Company

The Montréal facility is Sobeys' main distribution centre in Quebec. Located in North Montréal, it employs 750 workers in addition to managerial and administrative staff. The 750 employees are represented by Local 501 of the United Food and Commercial Workers International Union. The distribution centre supplies owner-operators belonging to a leading chain, IGA, and to many mid-market chains, such as Marché Tradition, Bonichoix, Omni, Bonisoir, Sertard, Le Dépanneur and Voisin.

The Montréal distribution centre underwent a major change in ownership structure in the late 1990s when, after being part of the Canadian company Oshawa since the early 1970s, it was involved in the mega-merger that took place in Canada between Oshawa and Sobeys. At the time, Sobeys, which was well established in eastern Canada, especially in the Atlantic provinces, took over a competitor that was mainly based in Ontario and Quebec. As a result of this merger, the new company became a prominent national player in the Canadian food industry and is, in fact, now the second largest after Loblaws.

Local Autonomy

The Montréal branch enjoys a significant measure of decision-making autonomy. This continues a practice that began when it was owned by the Oshawa group until 1998 and operated as Les Marchands en alimentation Agora. For almost all that time, Oshawa had a policy of decentralization that gave considerable managerial latitude to its various branches.

This changed in 1997, when company headquarters reversed direction and tried to impose a company-wide managerial vision. However, this process had only just begun when the Sobeys group made its takeover bid. The new owner was totally amenable to the proposal from the Montréal branch to go ahead with an ultra-ambitious new business plan. As a result, although ultimate decision-making authority is still based outside Quebec, the Montréal operation continues to enjoy considerable autonomy, even though it is integrated into the new company. A good illustration of this is the fact that Pierre Croteau, the former Agora president, has been appointed president of Sobeys-Québec. Sobeys-Montréal is currently part of a relatively decentralized decision-making structure. Under a "management by objectives" approach, local managers are assessed on their results and given considerable latitude to choose how they want to achieve those results.

Servicing Independently Owned Stores

The centre distributes food products to several groups of independently owned but affiliated stores operating under a range of trade names. However, this arrangement entails a constraint related to the structure of food-industry competition in Quebec. In 1999, market shares in the Quebec food industry were as follows: Loblaws-Provigo, 38 per cent; Métro, 35 per cent; and Sobeys-IGA, 22 per cent. This pattern shows that independently owned food stores tend to be affiliated with either Métro or Sobeys-IGA. In this context, Métro plays a crucial role as an alternative supplier for Sobeys clients, if ever the Montréal centre's services fail to meet the affiliated independents' expectations. On the other hand, becoming a non-affiliated independent is not a realistic option, since all food-sector experts agree that this category of operation has suffered the most during the current industry upheaval.

Another constraining factor lies in the fact that the bulk of the Montréal centre's clients belong to the IGA group. Members of this group are particularly involved in the communities served by their stores and, in fact, often live in the neighbourhood. They are thus very sensitive to what their customers want and, in their desire to provide personal service, expect a considerable degree of flexibility and adaptability from their distribution centre.

Changes

The accelerated way in which changes took place in the food industry during the 1990s caused a profound shake-up in thinking at the Montréal distribution centre. As early as 1995, both management and union leaders at the centre realized that what they were witnessing was the first signs of a fundamental transformation in the food industry and that it was becoming increasingly necessary to make a radical change in business direction. The decision by Oshawa group headquarters to move towards centralization became an urgent requirement. Indeed, the decision to apply a common managerial policy to all the group's units across the country threatened the Montréal branch with being obliged to comply with corporate headquarters' national vision. Since local management was in favour of a different vision – one based on

setting up a "mega" distribution centre rather than many specialized centres – it worked with local union representatives to develop an alternative business plan. This plan, which was completed in April 1998 and which has been the driving force behind the changes that have taken place since then, is based on four strategic objectives.

These four objectives are as follows:

- improving service to client stores;
- improving operational efficiency and lowering unit costs per case;
- acquiring better control over operating processes through changes to infrastructure and technology; and
- implementing a fresh new approach to human resources management based on openness, trust and involvement.

The business plan contains 37 individual projects that are to be carried out between 1998 and 2005. The main changes are divided into two broad categories: a new approach to human resources management, and work reorganization.

A New Approach to Human Resources Management

To understand the new approach to human resources management, it may be useful to briefly describe the context of the previous collective agreement. When bargaining began in 1995, management sought to lower its costs through concessions on working hours, reducing the excessive level of overtime caused by longer retail opening hours. After a year of bargaining, the parties came to an agreement whereby management's contribution to insurance plans was reduced and an adjustment to employee working hours, including a week of 4 days of 10 hours each. These new working hours will make it possible to partially eliminate overtime and improve the centre's financial situation. However, this agreement, which was in effect until 2000, deeply divided the union. In fact, when it was submitted to the general membership as recommended by the union's bargaining team, it was ratified with a majority of only four votes. The largest criticism was a perception that the employer wanted to reduce costs at the workers' expense. Discontent grew within the union, with groups of members criticizing their representatives for recommending an agreement that they claimed favoured management. This disunity created such unhealthy labour-management relations that, in fall 1996, the union representatives resigned from the workplace relations committee that had been created to settle disputes during the life of the agreement.

This deterioration in labour-management relations naturally caused serious concern to both sides, since they were both well aware that the rapid changes occurring in the food industry were going to force them to take decisions requiring a united front. Fortunately, new individuals appeared on the scene who were able to help in this respect. On the union side, the president of Local 501 took advantage of the departure of the local's full-time servicing representative to replace him with a person who had previously worked in the same position for the International Ladies' Garment Workers Union. The new representative had acquired valuable experience in labour-management collaboration in a context of corporate reorganizations. As soon as this representative was appointed in November 1996, he started bringing both sides together by convincing the hold-out union members to "bury the hatchet" and re-establish "bridges" with management. On the management side, a decision was made in summer 1997, shortly before the Sobeys takeover bid, to bring in some "new blood" to be responsible for the major restructuring of the distribution centre. Three new executives were hired to act as "change agents." For them, union involvement meant an additional challenge to carry out the centre's transformation. From then on, these three executives, serving as logistics manager, labour relations manager, and training and organizational development manager, will be part of the driving forces in the implementation of the centre's new business plan.

New Business Plan

The new centralization policy emanating from Oshawa group headquarters in 1997 triggered the fundamental changes that would enable the Montréal centre to deal with the successive changes taking place in the food industry. As already mentioned, the approach favoured by the centre itself was the opposite of that favoured by company headquarters. Local management opted for a strategy whereby they would develop a vast, multi-year restructuring plan with a specific implementation timetable that would be submitted for approval to headquarters. As a result, from early 1998 until late April of the same year, senior executives, with the prior assur-

ance of union support, devoted virtually all their time to developing the restructuring proposal. During this period, the union agreed to prepare their representatives by having them take training in workplace transformation and visit other state-of-the-art food distribution centres. The new business plan was submitted to the union and to all the centre's employees in late April 1998. One of the main thrusts in the plan was a fresh approach to human relations management, based, so far as the union was concerned, on openness, trust and a spirit of partnership in its dealings with management, and, on the workers' side, on involvement and accountability in relation to their work performance. In addition, particular emphasis was placed on discussion, analysis and reflection as the best way to solve problems. As we shall see, these new principles were quickly applied.

One of the main thrusts in the plan was a fresh approach to human relations management, based, so far as the union was concerned, on openness, trust and a spirit of partnership in its dealings with management, and, on the workers' side, on involvement and accountability in relation to their work performance.

Employees' Concerns

The business plan identified a series of objectives proposed by local management, but did not explain how these were to be achieved. Consequently, when the plan was presented to the union membership, employees questioned management's motives, especially since management had just succeeded in inserting an orphan clause into the office employees' agreement. Employees were particularly concerned about how the proposed changes would affect the existing collective agreement, which still had two more years to run. Their concern was all the greater because the new plan made no reference at all to the collective agreement.

On the other hand, management were clear about what they wanted. They proposed objectives, but were relying on the union and the employees to collaborate with them in a new approach, based on the principles identified in the business plan, and determine how these objectives could be achieved. This approach basically consisted of jointly deciding how to find "win-win" solutions that would accommodate each side's interests. The union agreed to try the new approach, on the understanding that the idea was not to change the collective agreement. The union was essentially looking to ascertain management's true intentions and, at best, identify as many solutions as possible that did not affect the collective agreement.

The "Balloon" Approach

Both parties agreed to hold regular meetings for a month in an effort to identify solutions. As a way of underscoring this new approach that was totally separate from the collective agreement, the meetings were chaired by two facilitators, one from the management and the other from the union. In addition, the participants, consisting of 5 senior management representatives and 10 union representatives, broke the classic mould of confrontational bargaining by sitting side by side around the negotiating table. The aim was to discover ways of increasing the centre's operating efficiency and reducing its distribution cost per case. It was understood that discussions would proceed without any reference to the collective agreement. Initial progress was slow, as participants were reluctant to speak. There was little extended discussion, and very few solutions were found. However, after being given a couple of days to consult with their colleagues, some participants proposed the "balloon" approach. Under this approach, which immediately received group approval, as soon as a participant suggested a topic, this subject or "balloon" was explored as long as any of the participants wished to pursue it. Conversely, if the "balloon" burst, another took its place. This approach, based on a well-known problem-solving strategy, played a key role in creating a climate of trust between the union and manage-ment. As a result, solutions were identified in a manner that took into account both parties' interests, and were adopted only when there was a consensus.

Over approximately 15 meetings, numerous solutions were proposed on how to lower case-handling costs. The management representatives acknowledged that some of the most creative suggestions originated with the union representatives and would never have been discovered without them. An example was the creation of a new category of part-time worker as a means of reducing what was still considered to be an excessive

amount of overtime. In this way, participants were able to come up with ways of reducing case-handling costs, but had not yet mentioned the question of changing the collective agreement. However, the basic solutions could not be applied without violating the collective agreement. Both sides came to the conclusion that not only was this step inevitable, but there was also little time left to take action, since they were only 10 days away from their self-imposed deadline. Since the "balloon" approach had demonstrated that it was indeed possible to change traditional patterns of labour-management relations, the union agreed to continue dis-cussions. However, it posed two conditions: first, it asked to increase the number of participants to include replacement and former union represen-tatives, for a total of approximately 40 union partici-pants; and, second, it wanted to have the final result submitted to the general union membership the day after the deadline passed.

Proposal Rejection by Union Membership

Certain provisions of the collective agreement were modified to accommodate the proposed solutions for lowering case-handling costs. In accordance with the principles adopted at the outset, this procedure was carried out in a way that took into account the interests of both sides. On the union side, it was understood that any proposed changes would not affect existing provisions related to wages, employment and seniority. Although there were still a few minor points to be settled, the parties managed, just one day before the cut-off date, to agree on a general proposal to change the collective agreement. As such, the proposed changes affected more than half the provisions in the collective agreement. On the other hand, additional clauses were added to allow the parties to operate on the basis of the new principles. One of these clauses provided for the creation of five joint committees to improve certain aspects of the centre's operations. Another clause provided for the annual payment of $650 per worker into the collective Registered Retirement Savings Plan if the unit distribution cost was lowered. The parties agreed to combine all the proposed changes into a letter of understanding and to include these changes in the collective agreement if approved by the union membership. However, when these proposals were sub- mitted to the union membership, they were rejected by 53 per cent of the members.

Since the "balloon" approach had demonstrated that it was indeed possible to change traditional patterns of labour-management relations, the union agreed to continue discussions.

This rejection was, naturally, disappointing for the participants who had spent so much time and effort, over several months, in an attempt to radically change the way the distribution centre operated. On the management side, the rejection was seen as the end to their hopes of promoting their local vision, which would inevitably lead to the imposition of headquarters' centralized vision. On the union side, the close result of the vote sent the message that they had become too absorbed in the negotiations at the expense of their relations with the general membership. Since the general union membership had not been kept informed about the proceedings, they were not prepared to endorse the proposal. One key element at stake was the recommended change to decrease overtime which would result in a reduction of wages for some employees. Therefore, as management began to make decisions to implement the corporate vision, the union galvanized itself to launch an information campaign for its own members. This initiative, which received parallel support from management, was successful, for within a few days, the union asked to resubmit the proposal to the general membership. As an additional incentive, management agreed that voting would take place on the premises. This time, the proposal was approved by 84 per cent of the members. The way was now clear for the business plan to be implemented.

Implementation

The first step taken by the parties was to stabilize their relationship for a period extending beyond the collective agreement, which ran until July 2000. The approval of the proposal was an initial illustration of the "turning over of a new leaf" in relations between management and the union, since, to all intents and purposes, the proposal entailed a voluntary reopening of the collective agreement. A further step took place in October 1998, when the letter of understanding was incorporated into the collective agreement. The parties decided to renew the agreement until July 2003 with a reopening clause on wages.

The new agreement provided for the creation of five "improvement" committees:

- the technological change and working methods committee;
- the perishable-sector improvement committee;
- the non-perishable-sector improvement committee;
- the transportation improvement committee; and
- the occupational health and safety improvement committee.

These joint committees consisted of approximately 10 management representatives and slightly more than 40 worker representatives. Each committee was chaired by one or two facilitators who represented either management or the union. Although committee meetings were officially scheduled to take place monthly, it often happened that they took place every week. To make this approach even more effective, problem-solving training was provided to some 50 workers and training in facilitation was provided to 10 others. Since the committees started functioning in fall 1998, they have succeeded in solving many problems.

Streamlining Job Assignments

At the Sobeys Distribution Centre in Montréal, the union's co-operation is now sought on even minor matters. One of the best examples of this new mode of functioning is the way the problem of how to assign jobs at the beginning of shifts was solved. Before the new business plan came into effect, work was assigned at the beginning of every shift on the basis of employee seniority. Since the number of job categories varied daily depending on the type and volume of work, assigning work, especially for the night shift, took approximately 30 minutes, resulting in a corresponding delay in starting the work. When the union and management representatives had used the "balloon" approach, they had identified this situation as one of the factors contributing to high unit distribution costs and had agreed to try to rectify it. The first step was to provide for a new job-assignment procedure in the collective agreement that would reduce unproductive work time to a maximum of five minutes at the beginning of every shift. The parties agreed to jointly develop a new procedure that would respect the principle of seniority, and to test the new procedure on one of the shifts. The understanding specified that if the experiment did not produce the desired outcomes, the issue would be pursued "until a practical, effective method was put into practice." The second step was to test the new approach in the workplace. As it happened, this particular problem was solved in relatively short order by the use of an electronic system of job assignments based on worker preferences. The workers were asked to co-operate in the creation and testing of the computerized work-assignment program. This approach can be effective only if workers express realistic preferences taking into account their work experience and seniority. A management representative later commented that a comparison between the jobs assigned electronically during the test and those actually filled during the preceding months showed a virtually identical match. This demonstrated that the workers were well oriented towards this particular objective and had acted in a highly responsible manner.

Job Performance Expectations

The way the workers responded in solving the work-assignment problem was an excellent illustration of their new role in improving productivity at the distribution centre. Not only do they now take part in resolving many problems both within and outside committees, they are also more conscientious and responsible in their work. Order fillers are now expected to try harder to reduce the number of product substitutions, and lift operators are subject to similar expectations to limit the level of breakage. As for truck drivers, they are now expected not only to deliver orders, but also to represent the distribution centre in its dealings with client stores. Since the drivers are in constant contact with the affiliates, they are expected to act as "ambassadors" and work in a way that reflects the distribution centre's high standards of service.

This approach has been enhanced by a new definition of the role played by junior management. As the various changes contained in the business plan are implemented at an accelerated rate, the centre's junior executives are now expected to behave more as "mobilizers" of their work group, rather than as representatives of the employer. Particular importance is attached to communicating with the workers in a way that stimulates the workers' creativity in improving the centre's operating efficiency.

Work Reorganization

After the distribution centre submitted its business plan in April 1998, the Oshawa group's national headquarters was prepared to approve it wholeheartedly, pro-

viding it received union endorsement. When the distribution centre was merged with the Sobey's group a short while later, the new owners decided to maintain the new business plan. This decision was largely due to the renewed collective agreement guaranteeing stable labour-management relations until 2003, which would mean implementation of virtually all the 37 proposed projects. As soon as the business plan was approved by the union's general membership, both sides began to work towards introducing the main changes designed to improve the centre's operating efficiency. These changes, which were to be introduced over the seven-year period from 1998 to 2005, can be combined into two main categories: infrastructure, and processes and technologies.

Infrastructure

To improve operating flexibility, tasks at the distribution centre are structured around two main divisions: perishables (comprising fruits, vegetables and refrigerated or frozen products) and non-perishables (basically, grocery items). The specialized, multi-service centre is being maintained, but will be integrated into the new megacentre during the next two years. Two main factors resulted in a number of recent expansions to the centre. First, the higher consumer demand for perishables led to the construction of a new 21,000 square foot facility. And second, the medium-term plans for major changes to distribution procedures resulted in the purchase in 1998 of a 1,000,000 square foot property adjacent to the distribution centre. This major expansion involves the introduction of a new distribution procedure called cross-docking. The purpose of these initial major changes, which are now complete, was to streamline shipping and transportation systems through the redesign of loading docks to accommodate longer, 53-foot trailers. Parallel to these infrastructure changes, important decisions have been taken with respect to work processes and technologies.

Processes and Technologies

The company's ultimate aim in changing its procedures is to operationally integrate the supply chain from suppliers through to retail outlets. This ambitious program will likely extend beyond the time assigned to implement the business plan. The changes, generally speaking, will be introduced in two separate stages: an internal phase focussing on the distribution centre as the intermediate component in the supply chain, and an external phase that will focus on the other players, the suppliers and the stores.

The Internal Phase – Transportation and Order Filling

The company has, in recent years, made certain technological changes to its internal procedures. Four years ago, local management decided to computerize the centre's receiving and warehousing systems in order to make the best use of storage space. This change resulted in a 30 per cent increase in the centre's warehousing capacity and made it possible to postpone for several years the expansion projects that would otherwise have been necessary immediately because of higher order volume. The computerized management of the receiving and lift work, with some involvement from purchasing personnel, represented the first change in working methods. This trend then accelerated with the launching of the in-house phase of operational reorganization.

The internal phase of restructuring began in fall 1998 and is still continuing. It has so far mainly concerned transportation and order-filling procedures. Prior to the new business plan, the operational process, which consisted of the five stages of order reception, invoicing, order filling, loading and shipping, suffered from a major weakness: some operations, especially shipping and delivery, were overly dependent on the specifics of the orders coming from the stores. Furthermore, since invoicing preceded order filling, accounting problems arose in direct proportion to the lack of product availability. These procedures were improved by the radical change of arranging for invoicing to be done just before shipping and inserting a new procedure in its place—the dynamic assignment of delivery routes. Changes to the transportation system were necessary so that the savings gained in the intermediary operations would not be lost later in the distribution process. Computerizing the centre's delivery system proved successful. In fact, in the space of only a few months, the various software programs introduced brought about a considerable reduction in the distances covered and the time required to do so. These programs are able to produce data on 60 trips in 30 seconds. The computerized systems also have the advantage of being able to run simulations, and will facilitate improvements during the external phase when the centre's affiliated clients become more involved. While the results have already been very positive, they could be even better if the

dynamic assignment procedure were applied earlier in the process and not right at the end. These changes to intermediary procedures are continuing.

Software Applications

Changes introduced in the refrigerated and frozen foods section have enabled these products to be distributed to the centre's other sections as soon as the orders have been checked. These changes have taken place in two stages. The first phase involved the introduction of a new software module called TRICEPS. This resulted in improved operating efficiency in several areas: invoices more accurately reflected completed orders; the volume of orders was monitored better during order preparation; and the clerical workload was greatly reduced. As well, the instantaneous updating of inventory meant that the centre's warehouses could be restocked more effectively. However, the increased use of optical scanners did not bring any significant changes. Further changes took place when the "computer-directed labour" and the "variable productivity standards" software modules were introduced. This second series of measures was initiated at the time of the ownership change to enable the centre to adopt the computerized information system used by Sobeys group in its branches across the country. Converting the TRICEPS system to the new EXE system made it possible to introduce the two new modules. Although this changeover commenced more than a year ago, it is not yet finished. These changes are going to have major effects on the work methods of both order fillers and lift operators.

New Work Procedures

In the past, order fillers and lift operators enjoyed considerable latitude in the way they worked. After picking up an order from the clerk, the order fillers were allowed to move around in their forklifts as they wished in order to assemble the orders. With a production quota of 145 and 130 cases per hour for the grocery and frozen-food sections respectively, the order fillers decided for themselves what routes to take and how quickly they filled the orders. The general trend was for order fillers to work quickly so they could finish their workday sooner. This approach had predictable consequences in terms of the quality of work performed and the frequency of work-related accidents. A similar situation occurred with the lift operators, although their dependence on the work of others meant that they were not obliged to fulfill a specific quota.

When the computer-directed labour approach is implemented, order fillers and lift operators will have to follow routes formulated by the computerized information systems, which will be designed to make the best use of the traffic circulation options within the warehouse. From now on, when order fillers pick up orders, they will also receive a computer-generated itinerary on the route to take through the aisles. An additional step will involve the introduction of variable productivity standards. These specify a standard amount of time to fill an order. This standard is calculated according to the size of the order, the types of product to be assembled, and the routes to be followed. Henceforth, order fillers will no longer have daily quotas to meet. When they pick up an order, the computer-generated calculation will tell them in advance how much time they should devote to each of the tasks required to assemble the ordered items. The main effect of this system is to occupy order fillers throughout the full eight hours of their workday. For the employer, this form of control over the workforce will lead to lower occupational safety costs and higher quality order filling. For the workers, the changes represent a loss of autonomy and their integration into a management system in which the various workforce components are increasingly dependent on one another.

After these two modules have been successfully implemented, the internal phase of the restructuring will be capped off by the use of radio frequencies in the shipping department. This system uses an optical scanning method to indicate a given order's contents. Client stores will be able to quickly identify exactly where on each pallet the products they have ordered are located.

The External Phase – Suppliers and Stores

As the final step in the rationalization of the overall distribution chain, the external phase involves suppliers and stores. The ultimate goal is to encourage "just in time" distribution through cross-docking. For suppliers, this procedure involves making deliveries to the long loading docks while, for the distribution centre, it involves the immediate delivery of the same products to its clients. The cross-docking operation thus involves what is commonly referred to in the industry as simply "transferring goods from one truck to another." The centre supplies 60 per cent of the goods delivered to its client stores, while the rest are delivered

directly by suppliers themselves. This approach also aims to encourage the suppliers who deliver directly to the affiliated stores to maximize their efficiency by delivering only to the centre, which will then be responsible for optimizing the loads it delivers to the stores.

As far as the member stores themselves are concerned, the aim is to integrate them as much as possible into the process and thereby share with them the savings achieved thanks to their collaboration. From this standpoint, the Montréal centre is in a unique situation compared with the other major food corporations. Because its clients are independent operators, their collaboration is voluntary; they will be all the more willing to collaborate if the cost savings are shared with them. The current healthy state of relations between the distribution centre and its client stores shows positive signs that the stores will respond very positively to any proposals of this kind. Since ordering goods in small quantities increases the cost of order filling, the stores have been consulted to see if it is possible for them to order in pallet lots and thereby eliminate the pallet-load-assembling phase. Stores are now also involved in a joint analysis of their supply needs. This joint analysis is considered essential for streamlining delivery routes. The computerized system indicates, for example, that by changing a single delivery timetable, five delivery routes could be eliminated.

Outcomes

After its adoption in 1998, the business plan was supposed to be implemented over a seven-year period, extending until 2005. In early 2000, both management and union shared the view that it was too early to assess the effects of the planned changes, particularly since unforeseen circumstances could modify the plans. One unforeseen event in the past, for example, was the Sobeys takeover of Oshawa. This had a significant effect on the centre's unit distribution costs, which just happen to be one of the current reorganization's main themes. The centre's local management was very quick to adopt the computerized warehouse management system that the new owner was requiring in all its branches. However, it was not easy to implement this system in its entirety because the distribution centre had to take into consideration the requirements of its independent client stores. The needed adjustments have slowed down implementation. The result, 18 months "down the road," is that the parties concerned acknowledged that theywere not yet totally "on top" of the new procedures and that they had been experiencing considerable difficulty in their efforts to lower unit distribution costs. In fact, this goal will be even more difficult to achieve in the short term. Even though the centre has not yet completely mastered this aspect of its operations, its turnout of products has been increased as a result of the decision by Sobeys to entrust it with the distribution of all perishables to the company's own stores.

Although little change has been seen in terms of lower unit distribution costs, results indicate that the reorganization has been successful in other respects. First, the inventory deficit has been reduced by 80 per cent over the last two years; and second, the compensation awarded by the Workplace Health, Safety and Compensation Commission for work-related accidents at the centre has dropped from $391,128 to $182,989 over the same period.

Conclusion

When the distribution centre's new business plan was adopted in 1998, it envisaged 37 clearly defined projects that would be implemented according to a specific timetable. However, the reorganization that took place from then until early 2000 involved a number of changes to the initial plan. In the first place, the takeover by the Sobeys group entailed unforeseen consequences. This was especially true in relation to the information management infrastructure, which proved more difficult to master in the context of a distribution centre that was supplying a group of independent retailers. As a result, changes were made to the order in which many of the projects were to be implemented—some were postponed, others were brought forward, and still others were extended. One of the staff members at the centre summarized this period as one of major turmoil.

In these unpredictable and unstable times, both union and management acknowledge that their main advantage lies in their new working relationship and fresh spirit of partnership. They feel these factors justify their considerable optimism about the future. The progressive implementation of the business plan has necessitated continual changes to the collective agreement. These changes have resulted in the signing of at least a dozen letters of understanding on major issues, such as the number of job categories, working hours and the pension plan. In the case

of the pension plan, the employer has just agreed to make its contribution to the employees' pension plan proportional to the decrease in unit distribution costs, up to a maximum of $1,300 annually per individual. In the face of the constant pressure being exerted on their work contract, the employees occasionally show some resistance, criticizing the pace and scope of the changes. While the workplace relations committee remains the usual channel for discussions, meetings are sometimes organized by the parties at the highest level to become familiar with each other's views and to acquire a better understanding of the double-edged issues involved in the reorganization process. These meetings have been very fruitful. The underlying approach has been one of identifying convergent interests, and the discussions have almost always resulted in solutions that have maintained the level of trust and kept the centre on track towards achieving the business plan's objectives.

Both union and management acknowledge that their main advantage lies in their new working relationship and fresh spirit of partnership.

Promoting Safe and Healthy Work Environments: New Occupational Health and Safety Website

Canadians will now have easier access to information on Occupational Health and Safety via a new Web site, **www.canoshweb.org**. This comprehensive site provides users with a wealth of information on variety of occupational health and safety issues, and from all jurisdictions across Canada. Created through a partnership between the Canadian Centre for Occupational Health and Safety and federal, provincial and territorial partners, the site is part of their continued commitment to promote safe and healthy work environments.

The site includes information on many facets of occupational health and safety, including regulations and legal compliance, existing and emerging workplace practices, and information to help reduce workplace fatalities, injuries and illness. The site also includes a navigational map to assist users searching for jurisdictional information.

Both the Canadian Centre for Occupational Health and Safety and its partners will continue to collect information on workplace health, safety and environmental issues from sources around the world and provide the most current and authoritative information on this site.

JOINT PROJECT TO DEVELOP NEGOTIATED PARTNERSHIPS IN THE BRITISH COLUMBIA FOREST INDUSTRY

Labour-Management Partnerships Program
Human Resources Development Canada

In August 1999, the Industrial Wood and Allied Workers of Canada (IWA-Canada) and Forest Industrial Relations Limited implemented a project on partnership and high-performance work organizations in the British Columbia forest industry.

The impetus for this project was a series of "dialogue" sessions between the union and Forest Industrial Relations, which represents coastal British Columbia forest companies. The dialogue group identified four areas for collaboration:

- *the development of a new, long-term working relationship;*
- *the development of a motivated, interested, educated and skilled workforce;*
- *the need to jointly influence the regulatory burden and associated costs;*
- *improvements in health and safety.*

This dialogue initiative was timely, given the work being done by both parties to face the challenge of an industry in difficulty. The year 1998 was one of the worst in recent history for the British Columbia industry, particularly for coastal producers. Japan, their main market, was in the middle of a crippling economic slump. Overall, in 1998, British Columbia companies lost $1.1 billion and had a negative 3.9 per cent return on capital. During this period, many mills and logging operations were shut down for long periods and some operations were permanently closed.

Industrial, Wood and Allied Workers of Canada

The Industrial Wood and Allied Workers of Canada is a national trade union representing 55,000 workers in seven provinces. Its largest base of membership is in the British Columbia forest sector, where it represents approximately 30,000 loggers, mill workers and related forest workers. The union is structured in geographical, multi-bargaining unit local unions, ranging in size from 500 to 7,000 members. There are 10 locals in British Columbia, five of which represent members employed by Forest Industrial Relations Limited member companies.

The union was founded in 1937 as the International Woodworkers of America. In 1987, the union became a solely Canadian union, and throughout the 1990s it sought to grow outside the forest sector and outside the province of British Columbia. Through the years, the union and its members have endured the ups and downs of the industry. However, the 1980s proved especially difficult, and union membership in the province of British Columbia fell from a high of about 50,000 in 1979 to just over 25,000 in the late 1980s. Following the recession of the early 1990s, union membership grew slowly, but steadily, to its current levels.

While much of the fluctuation in employment and union membership in the forest industry is a result of shifting markets, commodity prices and external forces, the industry has also undergone significant changes in the manner in which logging and mill work is performed. Technological change, contracting out, flexible shifts and various "motivational" and "reorganization" schemes have all played a part in the industry over the past two decades.

In 1993, the Industrial Wood and Allied Workers national convention passed a resolution to "develop

— Case study summarized from the report *IWA-FIR Partnership Project*, September 2000. The report was co-ordinated by Scott Lunny, Director of Policy and Information Services, Industrial Wood and Allied Workers of Canada.

guidelines and parameters for local unions to follow when negotiating workplace reorganization schemes." The following year, the convention adopted its *Policy and Guide for Workplace Reorganization*.

While the 1994 policy clearly set out ways and means for the union and its locals to establish a "union agenda" in the face of employer-driven programs, it neither embraced nor rejected the fundamental concepts of workplace change.

In the late 1990s, particularly with the situation that was facing the industry in 1997-1998, the union saw companies pushing harder for new and more productive ways of working and cutting costs. At the same time, the union was struggling to find new ways to provide security and growth in employment and earnings for its members.

The Industrial Wood and Allied Workers of Canada will seek Negotiated Partnerships with interested companies based on its eight partnership principles.

As Forest Industrial Relations Limited was approaching the union to engage in dialogue sessions, the union was engaged in a study of the International Association of Machinists and Aerospace Workers' program for high-performance work organizations as well as other partnership models in unionized workplaces.

The study led the union to develop the following policy on *IWA Negotiated Partnerships*. The policy, which was adopted at the September 1999 national convention, reads in part:

> The Industrial Wood and Allied Workers of Canada will no longer be drawn into pre-designed and/or employer-driven programs for workplace change or cooperation. Rather, the union will seek negotiated partnerships with interested companies based on the following principles:
>
> 1. commitment to real partnership;
> 2. focus on growing the business through continuous improvement of work processes;
> 3. employment security commitment ensuring that no employee will suffer any loss from participation in the partnership;
> 4. shared or consensus decision-making;
> 5. shared information and open communication;
> 6. ongoing learning and skill development for all employees;
> 7. strong union and strong management team;
> 8. respect for the cooperative and adversarial roles played by both union and management.

Under Negotiated Partnerships, the union rejects gain-sharing and incentive pay as a motivational tool to increase worker participation and performance.

Workers should expect to achieve greater employment security and improved working conditions as a result of the increased productivity and profitability achieved through Negotiated Partnerships. In addition, processes to share the rewards of increased productivity and profitability, such as additional compensation and programs for increased quality of working life, may be negotiated outside the collective agreement as part of an IWA Partnership.

Forest Industrial Relations Limited

Forest Industrial Relations Limited is an employers' association, accredited under the provincial Labour Relations Code, which acts as the exclusive collective bargaining authority for most employers in the logging and sawmilling industry of coastal British Columbia. Incorporated in 1942, the association has negotiated what is known as the *Coast Master Agreement* with the IWA since that time. In addition to collective bargaining, the association provides services and assistance to member companies in the administration of the collective agreement as well as supervisor and management training programs.

Forest Industrial Relations Limited believes that the decision to "move toward partnering" is one that must be made at the operational level.

Forest Industrial Relations Limited represents a diverse group of companies involved in various segments of the forest industry and with various management structures and operating philosophies.

Most operations are not ready for the development of high-performance workplaces and negotiated partnerships. Successful partnering involves large-scale changes in the way management and labour relate to each other, and the parties must develop new skills to work together differently than they have in the past. This will take substantial commitment and hard work.

The association realizes, however, that successful partnering at the operational level holds great potential for most of its member companies. It believes that the decision to "move toward partnering" is one that must be made at the operational level, and success will depend on the commitment and effort put into partnering at that level. The association's role in this is to act as a facilitator for member operations who want to learn about the process, to provide education and training to those who are moving toward a partnership model, and to ensure that the collective bargaining process and the collaborative processes of partnering remain separate from each other.

Partnership Project

On September 3, 1999, the parties entered into a formal partnership project. The parties agreed to carry out a two-phase pilot project to put into practice the theories of high-performance work organizations.

Objectives

This report deals with Phase I, which involved further study of the process of high-performance work organizations and partnerships, joint development of a familiarization presentation and video and the drafting of a week-long "Committed Partners Training" course to be delivered jointly to labour and management leaders at operations interested in partnering.

Phase II will involve the actual delivery of the leadership training, ongoing facilitation with interested companies and local unions and the eventual implementation of partnership at various selected pilot locations. The second phase will also include a detailed evaluation of the effectiveness and success of partnership processes in the forest industry.

Phase I: Study and Education

The parties undertook three separate study and educational initiatives during Phase I of the project.

MacMillan Bloedel – Leadership and Accomplishment

As part of MacMillan Bloedel's (now Weyerhaeuser) "co-management" and "co-design" initiatives in coastal British Columbia, this course highlighted the need to include "soft skills," such as problem solving and creative thinking, in the week-long training package.

There is a need to include "soft skills," such as problem solving and creative thinking, in partnership training.

Recognizing this need, the parties sought out existing programs, settling on the Development Dimensions International "Leadership and Workforce Development" modules. These programs were flexible and interchangeable, making them suitable for the parties to include in the "Committed Partners Training" course.

Conference Board of Canada – Study Tour

In January 2000, the parties sent six people on a study tour of high-performance workplaces, organized by the Conference Board of Canada.

The objectives of the tour were twofold:

- to learn what other labour-management groups have done collaboratively to increase their world competitiveness;
- to gain information about successful implementation strategies.

The tour visited three sites: Air Canada – Winnipeg Maintenance Base; Saturn Corporation – Spring Hill, Tennessee; and Harley-Davidson – Kansas City, Missouri.

The tour participants identified the following common features of each workplace partnership:

- consensus decision making in areas where it has been agreed upon;

- self-directed work teams;
- emphasis on ongoing training in both soft skills and job skills;
- emphasis on communication;
- commitment to employment security;
- a strong customer focus;
- few wage classifications.

Differences included the existence or absence of add-on compensation and varying levels and definitions of consensus decision making at each site.

The tour participants also identified some specific characteristics of the forest sector that might pose difficulties in implementing high-performance work organizations or negotiated partnerships, some features they felt would work for the parties, and a number of key findings, all of which are itemized below in the section "Key Learning Points."

University of British Columbia – Leading High-Performance Work Teams

The parties also sent some management and union representatives from Western Forest Products, Gold River Logging Division, to a course on leading teams in high-performance workplaces at the University of British Columbia.

As identified during the study tour and in other research, teams are a key component of high-performance work organizations and negotiated partnerships. For workplaces that have operated with a traditional hierarchy, such as most logging operations and sawmills, the implementation of teams is foreign and proves difficult. Part of the focus of the familiarization and committed partners training will be to debunk many of the myths about teams and help union and management understand and implement teams in all their operations.

For workplaces that have operated with a traditional hierarchy, such as most logging operations and sawmills, the implementation of teams is foreign and proves difficult.

Familiarization Module and Video

As part of Phase I of the project, the parties have completed a one-day familiarization module and companion video. These will be used by the parties to promote and explain the partnership processes to member companies, local unions and others who are interested.

Leadership Training Course

The other significant component of Phase I is the development of a week-long leadership training course—Committed Partners Training.

The basic framework of this course has been developed by Professor Tom Knight from the University of British Columbia. With the assistance of the working group, Professor Knight has incorporated Development Dimensions International modules into the curriculum as well as industry-specific training and case studies.

The delivery of this training to "committed partners" at the worksites will be a significant component of Phase II of the project.

Impact on the Labour-Management Relationship

Phase I of the project has involved putting the parties' commitment into action; however, the initiative has not reached much beyond the employer association and national union level.

The timing of the project, coinciding with master agreement negotiations in the British Columbia forest industry, and the focus on learning and development have provided the parties with considerable insight into how partnerships will be developed and the difficulties that the parties might encounter.

Collective Bargaining

In spring 2000, negotiations between the British Columbia forest industry and Industrial Wood and Allied Workers of Canada began. The negotiations took place at five tables covering some 30,000 loggers, mill workers and other forest industry workers. The largest single group of companies and workers covered by one collective agreement and one set of negotiations is that of Forest Industrial Relations Limited and the five coastal Industrial Wood and Allied Workers of Canada locals—70 companies and 12,000 workers.

How do you reconcile traditional labour relations, specifically collective bargaining disputes, with the need and desire of both parties to work together to improve and grow the business?

The negotiations were concluded for the entire province by early July 2000; however, the coastal industry had a nine-day strike before settling. The other four negotiations concluded prior to the settlement, setting the pattern for the coast.

The difficulty and intensity of the negotiations, particularly the strike on the coast, effectively put discussions on the partnership process at the IWA national and Forest Industrial Relations level on hold. This situation presented and continues to present an interesting challenge for the parties. How do you reconcile traditional labour relations, specifically collective bargaining disputes, with the need and desire of both parties to work together to improve and grow the business?

By the definition given to "partnerships" by the parties, the process is distinctly separate from collective bargaining and the collective agreement. Particularly for the union, the collective agreement is sacrosanct, and the premise that it must not be compromised or eroded as part of any collaborative process is a fundamental precondition. This, however, must cut both ways.

This anomaly has become particularly apparent following the strike. The parties are realizing the difficulty in continuing and maintaining a strong, proactive commitment to high-performance work organizations, particularly in the immediate aftermath of the strike.

This has been a key learning point for the parties, and the ability to continue and eventually realize the benefits of this project and partnerships in general will be a real test of whether traditional, adversarial collective bargaining can coexist with a drive toward high-performance work systems.

Key Learning Points

From the project work to date and the investigation and learning the parties have engaged in, the following learning points have been identified.

- ***Difficulties Implementing Partnerships – The Forest Industry***

  The cyclical and seasonal nature of the forest industry and its dependence on commodity markets make the economic position of the industry much more volatile than that of a standard manufacturing or service business. Environmental uncertainty is also a concern, with changing requirements and restrictions constantly being foisted on the forest sector.

In many respects, the parties have a mature and sophisticated relationship, conducting and administering a single master agreement covering hundreds of workplaces and 12,000 workers.

  The level of government control over the industry (95 per cent of commercial forest land in the province is government-owned) is also a consideration. Government regulation, stumpage, environmental restrictions, etc., are all important to the costs and viability of forest companies and are, for the most part, out of the control of the parties.

- ***Difficulties Implementing Partnerships – The Negotiating Parties***

  The long history between the parties is both an advantage and a disadvantage. In many respects, the parties have a mature and sophisticated relationship, conducting and administering a single

master agreement covering hundreds of workplaces and 12,000 workers.

However, in the process of building this relationship the parties have also had numerous labour disputes, some of which have been quite significant in their impact on the workers, companies and economy of the province. This history will be difficult for some to reconcile with a partnership initiative, especially where labour-management relations have been particularly rocky.

In addition, the fact that Forest Industrial Relations represents a diverse mix of companies and the union is a compilation of autonomous local unions makes the outcome of efforts at the association and national union level suspect. Essentially, the success or failure of this initiative is in the hands of individual companies and local unions, not Forest Industrial Relations or the Industrial Wood and Allied Workers of Canada national union.

In this environment, the parties' scepticism that the union and management are "too close" or that one party is "selling out", has increased.

What Might Work and What We've Learned

The parties have learned a number of important things and will definitely be incorporating self-directed work teams and consensus decision making into partnerships and training.

Trust, communication and lots of training are key ingredients in a successful partnership.

The parties are also aware that they are one step ahead, having achieved high-level commitment from both organizations. While this commitment may be strained as a result of the recent labour dispute, it exists nonetheless and is an essential component of the high-performance work organization and other partnerships we have studied.

The parties have also discovered some facts about partnerships:

- The process can cause intense strain on the parties, particularly on middle management, and a great deal of training is required to enable everyone to participate at all levels of the enterprise.
- The upper levels of management and union leadership will be required to let go of some control for the process to succeed.
- Trust, communication and lots of training are key ingredients in a successful partnership.
- The rationalization of the inherently adversarial nature of collective bargaining, grievances, etc., with the need to collaborate to achieve a high-performance work system will be a constant difficulty.

Phase II: Next Steps for Partnerships

The next phase of the project will involve the identification of interested and committed partners—logging operations or mills where management and the local union have an interest in the process. The parties will familiarize these union and management groups with the process, provide them with the Committed Partners training and then facilitate the development and implementation of a partnership.

This, along with detailed and in-depth monitoring and evaluation of pilot projects, will be the focus of Phase II of the project.

GOOD CORPORATE CITIZENSHIP IN THE 21ST CENTURY

Roy J. Adams
McMaster University

Corporations, our dominant form of business organization, are legal persons who exist separate from the directors, managers and employees who work in the organization and from the investors who participate in its activities. Created in their current form in the 19th century, their main purpose was to encourage investment in attractive projects while reducing as much as possible the investors' liability in the event of financial difficulties.

In North America, it has become a common trend to consider that the business leaders should defend the shareholders' interests. This norm was sometimes interpreted restrictively, in the sense that to behave in a socially responsible manner was said to be contrary to the fiduciary responsibility of the firm's officers. That notion has been strongly challenged in recent years from several quarters, and if the revisionists have their way the result could have serious implications for Canadian industrial relations.

In February, an independent Canadian Democracy and Corporate Accountability Commission was established "in order to come to grips with the issue of corporate accountability." The commission is co-chaired by Ed Broadbent, the former NDP leader, and McClelland and Steward Chair Avie Bennett. Other members are Linda Crompton, CEO of Citizens' Bank; Ken Georgetti, President of the Canadian Labour Congress, and John LeBoutillier, former CEO of the Iron Ore Company of Canada. The project's major funder is the Atkinson Charitable Foundation. It is due to issue its findings and recommendations "to federal and provincial governments, the corporate sector and the social/economic justice community" by the end of 2001.

Corporate social responsibility has been a controversial topic for many years.

Corporate social responsibility has been a controversial topic for many years. In a famous article published in 1970, conservative economist Milton Friedman insisted that "the social responsibility of business is to increase its profits," and that philosophy continues to pervade the thinking of much of the North American business community. It has nevertheless attracted significant reaction. Most business schools now have departments, or at least courses, in topics such as business ethics or business and society, or others under which corporate accountability is considered.

It has become a common trend to consider that the business leaders should defend the shareholders' interests.

The notion that the role of corporate officers should be confined to the generation of dividents for the shareholders has been strongly challenged by the emergence of the stakeholder theory of the firm. This theory insists that corporations perform better in the long run when their top officers take into consideration the interests of all of the entities with a stake in the organization, including employees, suppliers, customers, creditors and the local communities in which the firm operates. The theory has attracted a good deal of research, much of which is reviewed in the discussion paper issued by the Broadbent/Bennet Commission. The general conclusions of the research support the contentions of the stakeholder theorists.

In addition to the research on the performance of socially responsible firms, attitude surveys suggest that most Canadians, as well as most Americans and Europeans, want corporations to behave in an ethical and socially responsible manner. According to the Accountability Commission's discussion document, research indicates that most Canadians "consider conditions of production when buying consumer goods" and most say that "they are prepared to pay higher prices for ethically produced goods."

This type of research is one of the reasons why an increasing number

of companies have opted in recent years to invest resources in ethics programs in order to protect or enhance their reputation. A KPMG survey of Canada's 1,000 largest firms found that some 86 per cent had "a document that outlines their values and principles." The majority of such documents, however, are worded in generalizations, address only a few issues and have no method for ensuring enforcement. In the survey, only 14.4 per cent had "reviewed their ethical performance to date." This situation has led some critics, such as a recent Taskforce on the Churches and Social Responsibility, to adopt a sceptical stance towards codes unilaterally initiated and managed by corporate officers.

A KPMG survey of Canada's 1,000 largest firms found that some 86 per cent had "a document that outlines their values and principles."

In addition to the attraction of acquiring and keeping customers by engaging in effective "reputation management," many corporations have been induced to adopt codes of behaviour as a result of pressure applied by human rights and environmental groups and, in some cases, by trade unions for which international companies have been a prime target. The Levi Strauss company is generally credited with having been the first firm to adopt a specific code, committing itself to ensure that its goods are produced under acceptable conditions in all countries where it operates.

In recent decades, large producers of sportswear have been outsourcing their product on a global basis. The Nike corporation, for example, designs and markets its clothing and equipment but does not produce it. Instead, it subcontracts production to countries such as Indonesia, Vietnam and China, where it is often manufactured by companies with headquarters in Taiwan, Hong Kong or Korea. Critics argue that the conditions under which these goods are produced often do not meet basic human rights standards and thus have designated them as sweatshops.

In 1992, Nike and other international consumer products companies followed Levi's in establishing corporate codes. To ensure compliance, Nike created a Labor Practices Department and eventually adopted the policy that a Nike representative would have to be present in every production plant. The firm also hired Price-Waterhouse to conduct audits on working conditions in the factories. Instead of unequivocal praise, these initiatives often produced more criticism when human rights groups found numerous situations that did not comply with Nike's code.

One of the persistent criticisms of Nike and many of its competitors is that audits are not conducted independently and thus are not objective. In order to silence its detractors, the corporation joined in the mid-1990s with several human rights organizations, church groups and unions in the United States to establish the Fair Labour Association. However, the negotiators in charge of setting general standards and monitoring practices ran into difficulties over the issues of a living wage and the nature and independent monitoring. As a result, several of the participating parties, including the Union of Needletrades, Industrial and Textile Employees, the major union involved, pulled out of the process. Nevertheless, the remaining organizations were able to hammer out a deal and agreed that the monitoring process of the Association was to commence sometime during 2001.

A similar effort was made in Canada during 1999 and 2000. A group of concerned organizations called the Ethical Trading Action Group attempted to negotiate a code with the Retail Council of Canada and associations representing apparel and shoe manufacturers. But the negotiations collapsed when the employer group refused to adhere to the core human rights of the International Labour Organization. According to the Ethical Trading Action Group, a major stumbling block was the principle of freedom of association and the right to bargain collectively. The opposition of Canadian retailers to this provision is quite striking, since the Employers' Group (including the Canadian representatives) at the International Labour Organization fully endorsed its 1998 Declaration on Fundamental Principles and Rights at Work, which clearly affirmed those rights. Reportedly, the Retail

A major stumbling block was the principle of freedom of association and the right to bargain collectively.

Council is working on a code that would contain less stringent standards.

The anti-sweatshop movement has also struck a chord with university students. Founded in 1998, the United Students Against Sweatshops has been spreading rapidly across North America. The organization's major objective is to pressure universities to insist that suppliers of sports apparel displaying the university logo agree to conform with basic ethical standards of production. Suppliers may work out their own code so long as it conforms with basic standards specified by the organization. To ensure independent monitoring, the student organization established the Workers' Rights Consortium whose guidelines are more stringent than those of the Fair Labour Association. Many universities in the United States have agreed to comply with the requirements of both the Association and the Consortium. Controversially, the Consortium has no business representation, a situation that led Nike Inc. to withdraw funds from some universities that joined the Consortium.

Labour principles include a promise not to discriminate or make use of child or forced labour.

Another notable organization that has entered the picture is Social Accountability International. Like the Fair Labour Association and the Workers' Rights Consortium, it has developed a list of basic standards and a monitoring program. This organization is associated with the New York–based Council for Economic Priorities, which for many years has encouraged corporate social accountability. The Council, for example, does research and gives out prizes to corporations it deems to have met high ethical standards.

The Social Accountability International program is identified by the term SA 8000, and its explicit purpose is to emulate the success of the quality management program known as ISO 9000. That program has swept the globe to such an extent that it is very difficult for non-certified companies to win contracts against certified competitors. Social Accountability International hopes to emulate that success by making SA 8000 certification equally essential.

Most recently, the United Nations has become involved in the issue by forming the Global Compact network with international business and other international organizations. The International Chamber of Commerce and about 50 of the world's largest corporations have agreed to conduct their business according to Compact's environmental and labour guidelines. The labour principles are those identified by the International Labour Organization as being part of the fundamental human rights. They include recognition of freedom of association and the right of employees to bargain collectively and a promise not to discriminate or make use of child or forced labour.

A widely sought principle is that each employee should earn enough to provide food and accommodation for an average household.

In addition to the five core rights identified by the International Labour Organization, many codes, including those of the Fair Labour Association, Workers' Rights Consortium and SA 8000, also contain health and safety standards. Among the most controversial standards included in some of the general codes is that of a living wage. A widely sought principle is that each employee should earn enough to provide food and accommodation (and something extra) for an average household in the geographic area of production. Social Accountability International accepts that notion, and monitoring documents provide guidance on how to price a basket of goods and accommodation to arrive at the appropriate figure.

It appears likely that the pressure put on corporations to be socially responsible will continue to mount. The so-called Civil Society movement, which was instrumental in stopping the proposed Multinational Agreement on Investment and in throwing a monkey-wrench into the World Trade Organization meeting in Seattle in November/December 1999, has won many adherents to its cause: insistence

It appears likely that the pressure put on corporations to be socially responsible will continue to mount.

that globalization must not benefit the corporation to the detriment of the people. So, the onus is on corporations to take credible steps to put in place policies that comply with broadly accepted international social and environmental standards such as those put forward by Global Compact. Within Canada, the corporate human resources policy that will require the most fundamental rethinking is that of opposition to unionization of employees and henceforth rejection of collective bargaining.

Globalization must not benefit the corporation to the detriment of the people.

Only about 20 per cent of Canadian private sector employees are involved in collective bargaining, and the typical policy of the unorganized employer is to manage in a manner that makes unions (and thus collective bargaining) unnecessary. Contrary to the way they approach other basic rights, it is common for company spokespersons to make it publicly known that they oppose bargaining. The typical attitude is well represented by comments that appeared in the press during the 1999 strike at the Calgary Herald.

In an article published in The Globe and Mail, Susanne Craig reported that after two years "marred by labour problems," the reporters at the Herald "asked the Communications, Energy and Paperworkers Union to represent them...." They were particularly concerned, she stated, that "senior management were too involved in changing the editorial content of news stories to fit certain agendas." They also wanted to change an employment system in which reporters could be dismissed "at the discretion of management."

The implicit theory embraced by Craig in writing this story is that, had management not precipitated "labour problems," there would have been no reason for the employees to unionize and bargain collectively. The "blame for the drive to unionize," Ms. Craig reports, may be traced to the publisher's "heavy hand in the newsroom." But if collective bargaining is a fundamental human right to which all employees are entitled, its use should not be based upon such a negative motivation. Indeed, it would not be unreasonable to expect the socially responsible corporation to engage in proactive efforts encouraging employees to select representatives who could negotiate relevant issues.

"There was an unspoken contract and it seemed to work well."

The norm in which the absence of collective bargaining is considered to be the legitimate default situation is further illustrated in a subsequent article published in The Globe and Mail by a former managing editor of the Herald. Gillian Stewart had left the Herald in 1990 after the introduction of a new policy under which "reporters, photographers and librarians were viewed as substitutable wage costs rather than valuable resources." Before the change in policy, "the Herald newsroom was one of the few non-unionized newsrooms in the country. As far as the employees were concerned, it had never been necessary to unionize. Management paid the union scale negotiated at other newspapers as well as the same benefits and perks. There was an unspoken contract and it seemed to work well."

The "unspoken contract" implicitly consisted of an understanding in which employees forgo their right to bargain provided that the rules unilaterally established by management are not substantially different from the industry standards.

In short, the implicit contract called for the employees to forgo the exercise of what the international community considers to be a fundamental human right, contingent upon the continuation of acceptable conditions. Whereas Canadian corporations have long accepted the responsibility of taking proactive efforts to ensure employment equity, another of the rights on the International Labour Organization's core list, the absence of collective bargaining is commonly offered as evidence of exemplary managerial practice.

A retort by the Herald's then editor-in-chief, Peter Menzies, further illustrates the norm. He admitted that there have been allegations concerning journalistic integrity and abusive management but argued that, nevertheless, "we are a good employer. We offer an average income of close to $63,000; comprehensive benefits; free on-site parking; a company day care and a free on-site fitness centre."

The implication seems to be that if the corporation provides good substantive conditions, employees have no legitimate claim to participate in organizational governance. Menzies, instead, denigrates unionization and collective bargaining as despicable practices to be actively avoided. Referring to the era when Ms. Stewart was at the Herald, he says: "Yes, there was no union, but the principle of collectivism and its intolerance of dissent was well entrenched and enforced by the silent whip of group-think." He goes on to add that "today's union objectives are those that will serve the collective, not the interests of free individuals who in a successful newsroom would draw strength from and foster true journalistic creativity within an atmosphere of ideological diversity."

It is now the time for organizations to reconsider their approach.

No one reading this exchange could doubt that both Stewart and Menzies regard collective bargaining not as a fundamental human right that all citizens (both corporate and individual) have a responsibility to respect, but rather as abhorrent employee behaviour precipitated by management mistakes. From this perspective, rather than willingly accept employee representation as a keystone principle, the employer's responsibility is to do its best to avoid it.

The values and corporate policy rooted in this philosophy is entirely contrary to the international labour rights consensus. Very likely, it is only a matter of time before this position becomes the new target of civil society. Before the storm hits, it is now the time for the organizations who want to achieve their status as good corporate citizens to reconsider their approach.

Further reading:

The discussion paper and schedule of the **Corporate Accountability Commission** are available on-line at < www.corporate-accountability.ca >.

For information about the various initiatives in the retail sector and links to organizations such as the **Workers' Rights Consortium, Fair Labour Association** and **Social Accountability International**, visit the Web site of the Maquila Solidarity Network at < www.maquilasolidariy.ca >. **Nike** provides information on its social efforts at < www.nikebiz.com >.

The articles by Craig, Stewart and Menzies appeared in *The Globe and Mail* on November 6, 10 and 17, 1999 respectively.

The article by Milton Friedman appeared in the *New York Times* Magazine on September 13, 1970.

WORK-RELATED CHILD-CARE CENTRES IN CANADA – 2001

Carole Barbeau
Strategic Policy and International Labour Affairs
Labour Program, Human Resources Development Canada

Introduction

The availability of affordable, high-quality child-care services is a major concern for many working parents. The proportion of dual-earner and single-parent families has increased over past decades, as has women's participation in the labour force. This means that it is no longer possible for most working parents to rely on traditional child-care arrangements. In addition, geographical mobility and the dispersion of extended families make it difficult to count on relatives to provide care.

For parents, having access to affordable quality care for their children may directly affect their ability to enter or re-enter the workforce (e.g., after maternity or parental leave), juggle their work and family responsibilities and pursue their career goals. Child care is also viewed as a crucial factor in enabling women to achieve economic independence and long-term financial security, and it is an important element in attaining greater gender equality in the workplace.

It is now generally recognized that the first years of a child's life are crucial to the development of cognitive and social skills. Many parents, therefore, want to provide their children with the best possible early childhood education. Child care thus plays two distinct, yet very important roles: it allows parents to remain in the labour force and pursue their careers, and it prepares children for school and promotes their healthy development. Not surprisingly, the creation of more high-quality, affordable child-care spaces is a key demand of many sectors of Canadian society, including unions, antipoverty groups and child-welfare and women's organizations.

However, there are still too few child-care spaces in Canada – let alone *affordable* spaces – to satisfy demand, and existing child-care options in some communities may be inadequate or too inflexible to meet the needs of working parents.

Establishing work-related child-care centres[1] is sometimes viewed as a solution – albeit a partial one – to these problems. A number of businesses and organizations have recognized that it is in their interest to establish and support child-care centres, in or near their workplaces, to improve the recruitment and retention of employees, reduce absenteeism and increase worker productivity while generating favourable publicity.

The purpose of the "Work-Related Child-Care Centres in Canada – 2001" study is to provide an overview of current practices pertaining to work-related child-care centres.[2] It highlights the best examples in this area, and discusses what has been learned from the experiences, both positive and negative, of the participating child-care centres. One of the study's main objectives is to analyse and illustrate how businesses and organizations can be involved in both establishing and operating work-related child-care centres. The study includes 14 detailed profiles of child-care centres from all regions of the country. The profiles, or case studies, outline how these centres were created and the part the different participants played in the process. They also describe the ongoing relationship between employers and the child-care centres. The study is meant to inform employers, unions, employees, professional organizations, parents and early childhood professionals who are

[1] The expression *work-related child-care centres* refers to child-care centres that are sponsored and supported by an employer, a group of employers, a union or an employee group and that are intended to meet the child-care needs of employees. These centres can be located either directly on the worksite or at a distance.

[2] The data and information presented in the study are drawn from a series of 51 interviews conducted with directors of child-care centres in all regions of Canada between April and July 2000.

considering the creation or expansion of work-related child-care services, as well as researchers and members of the general public who are interested in this issue.

Number of Centres

The number of work-related child-care centres in Canada nearly doubled between 1991 and 2000. The most marked increase in absolute terms occurred in Québec, where more than half of Canada's work-related centres are located.

Number of Work-Related Child-Care Centres per Province

Jurisdiction	1999*	2000**
Newfoundland	4	3
Prince Edward Island	1	0
Nova Scotia	7	17
New Brunswick	1	8
Quebec	76	180
Ontario	62	82
Manitoba	9	16
Saskatchewan	1	6
Alberta	7	5
British Columbia	7	20
Yukon / Northwest Territories / Nunavut	1	1
Canada – Total	**176**	**338**

* Source of 1991 data: Jane Beach, Martha Friendly, and Lori Schmidt, *Work-Related Child Care in Context: A Study of Work-Related Child Care in Canada*, Occasional Paper No. 3, Toronto: University of Toronto, Centre for Urban and Community Studies, Childcare Resource and Research Unit, 1993, p. 6.

** Data compiled during spring 2000. Estimates based on information provided by provincial/territorial governments and child-care associations.

Advantages and Disadvantages of Work-Related Child Care

The establishment of work-related child-care services can involve both advantages and disadvantages from the point of view of the employer and employees.

Employer's Perspective

Work-related child care can produce certain benefits for the employer. It can:

- improve the retention of employees and serve as a key recruitment tool, whether on its own or as part of a larger *work-family* or *work-life* program.
- decrease employee tardiness and absenteeism.
- facilitate the reintegration of employees who are returning to work from maternity or parental leave.
- enhance employees' morale, commitment, motivation and job satisfaction, while reducing stress and stress-related disorders in the workplace.
- assist in developing a good corporate image and in building relations with the rest of the community.
- humanize the workplace through the presence of children.

In addition, the employer can control the hours of operation of the child-care centre to some degree.

However, work-related child care may also have some disadvantages for the employer. It may:

- potentially represent a legal liability, while creating additional financial obligations.
- have a detrimental effect on the employer's corporate image if there are problems with the centre.
- distract employees; some parents may want to spend too much time with their children during working hours.

Employee's Perspective

For employees, work-related child care can have many advantages, including the following:

- It can greatly decrease the travel time between work and the child-care facility and reduce potential delays (e.g., from heavy traffic, inclement weather

or unreliable public transportation) when dropping off or picking up a child at the beginning or the end of the working day.

- Knowing that their children are nearby may add to parents' peace of mind.
- Parents can respond quickly in case of an emergency.
- It can allow working mothers to breast-feed their infant children.
- Parents can participate in the centre's activities and special events.
- Parents are able to spend some time with their child during work breaks or over lunchtime.
- It can increase the likelihood of obtaining a space for a child in areas where community and family child care is in short supply.
- The center's hours of operation can reflect those of the employer.

However, there are also certain disadvantages:

- Employees who depend on a work-related child-care centre can find themselves tied to their job, which reduces their mobility.
- The presence of a workplace centre – particularly if it provides extended hours and emergency care – may conceivably be used by an employer to justify longer working hours (e.g., through overtime) and more "flexible" shift scheduling.
- Children who are registered in a workplace centre may have only limited contact with other children in their own neighbourhood.
- Some work environments may not be ideal for children, particularly if there are problems with noise, pollution, lack of space or the attractiveness of the surroundings (e.g., downtown areas and industrial parks).

Involvement of the Different Stakeholders

Each child-care centre is unique. Indeed, they tend to differ from one another—at times markedly with respect to their history, structure and administration, as well as in terms of the services they offer and the people to whom these services are provided. There are also very real differences regarding their relationship with the sponsoring companies or organizations, and their links with governments, unions and employees.

Yet, notwithstanding their differences, many work-related child-care centres confront similar problems. Often they also share common concerns, whether in terms of funding, space, location, hours of operation, registration options or staffing.

Importance of Employee Consultation

Employees have been consulted in virtually every case as part of establishing the work-related child-care centres described in this study. Such consultation, through surveys and committees, is essential to assess the potential demand for services and to determine the needs of employees with children. By way of illustration, deciding where a child-care centre is to be located can be a difficult question, especially when employees work in more than one geographical area. The selection of Windsor as the site of the first Canadian Auto Workers child-care centre followed two years of studies and discussion.

Lack of consultation or an inadequate employee survey can lead to future difficulties. For example, a survey conducted before establishing the *Kid Gloves Daycare* found overwhelming support on the part of employees. Unfortunately, the survey failed to mention that clients would have to pay fees, and did not provide enough information on how the child-care centre would operate. As well, the fact that questions were asked in English only created a barrier to understanding for many employees, as a large share of the workforce was composed of immigrant women. In addition, the initial needs assessment had failed to recognize that many employees preferred to rely on family members to provide care for their children as a means of preserving their language and culture. Consequently, far fewer employees than originally expected used the new child-care centre after it began operating. Most places in the centre had to be filled by community children instead. A few years later, a second survey and concrete initiatives from both the child-care centre and the employer helped improve the situation.

Funding and Resources for Start-up

Initial funding and resources for the start-up of a child-care centre can come from a variety of sources. A sponsoring employer usually contributes at least some resources to help set up a centre. These resources can take many forms: money; interest-free loans or loans at preferential rates; human resources; supplies, furniture and equipment; and access to boardrooms, telephones and fax machines. In the case of on-site (and some off-site) centres, the employer usually provides space, by either renovating existing facilities or participating in the construction of a new building. With respect to new construction, an employer can provide the land where a child-care centre will be built.

Provincial and municipal subsidies are major sources of start-up funding for work-related child-care centres. Whether in the form of direct financial assistance, a land grant or other in-kind contributions, these subsidies generally, although not always, represent a significant proportion of construction expenses.

Support from the Employer for the Operation of the Centre

An employer can support a work-related child-care centre in many ways, once it has been set up. The level of support can differ markedly from one employer to the next. It may range from very generous financial contributions to virtually no support at all. The child-care centre directors who took part in this study described some of the main forms of assistance that employers can provide:

- *Financial assistance* – Some employers either provide child-care centres with regular financial contributions, or help pay the cost of major expenditures such as renovations or relocations or the purchase of new equipment. Sometimes, an employer will absorb a centre's operating deficit, if there is one. Financial assistance can also be provided by means of fund-raising activities organized by the employer, or through revenue-sharing arrangements. For example, the *Downs Children Centre* receives part of the proceeds from rainbow lotteries, banquets and tournaments organized by the Manitoba Jockey Club. *Les petites cellules Childcare Centre* at Ericsson Canada receives one third of the revenues generated through parking fees.

- *Loans* – Banks (such as the National Bank of Canada) and other employers with sufficient cash reserves may provide loans to an affiliated child-care centre at a preferential rate, or even at no interest. Conditions for repayment tend to be relatively flexible.

- *Free, symbolic or discounted rent* – A large majority of businesses and organizations sponsoring a child-care centre, especially if it is on-site, provide facilities for free or at a reduced price. In some cases, they charge a symbolic rent of one dollar per year. Alternatively, they may collect rent at the market rate, but return an equivalent amount to the child-care centre as a tax-deductible donation. Businesses can also offset rent charges by providing (for free) services worth at least the same amount.

- *Free utilities, maintenance and cleaning services* – Whether or not it is part of the lease agreement, many employers, particularly if they own the child-care centre's premises, will cover the cost of utilities, including heat and electricity. A company can also provide maintenance, cleaning and laundry services free, or at reduced cost.

- *Donations in kind* – A number of sponsoring employers are willing to donate their surplus furniture or old computers. Other in-kind donations are possible, such as food (free or at reduced cost), clothing and toys. In numerous cases, free telephone and fax services, postage and photocopying are also offered.

- *Use of facilities* – Access to the various facilities of a company can be provided free of charge. Facilities may include boardrooms for meetings and athletic facilities for the children. Some audio-visual and computer equipment may also be made available.

- *Administrative and other services* – A sponsoring company or organization can use its own human resources on an ongoing basis to support a child-care centre. It can provide administrative, purchasing, accounting/auditing, counselling, hiring, training, legal, engineering and computer services, among others.

- Although this rarely occurs, the staff of a work-related child-care centre can be considered employees of the sponsoring company. In such a situation, the salary and benefits of child-care workers can become the employer's responsibility.

Involvement of Unions

Canadian unions have traditionally been strong supporters of a high-quality, affordable and accessible public child-care system. However, a number of unions have also bargained with employers to establish work-related child-care services. The example of the Canadian Auto Workers is a case in point. The union bargained with the "Big Three" auto makers for a child-care fund and lobbied the Ontario government for start-up subsidies. These efforts led to the creation of the *CAW Community Child Care and Developmental Services*, which serves as a model of union involvement in child care. Other unions have also been involved in work-related child-care centres, for example, by donating money for renovations or through representatives on the Board of Directors.

Conclusion

Work-related child-care centres represent only a fraction of child-care services in Canada. Nevertheless, they have existed for several decades, and the fact that they have increased in number over the last 10 years shows that work-related services fill a need both for the sponsoring companies and unions, and for the workers.

Work-related child care offers parents some significant advantages. Moreover, employers are becoming increasingly aware of their employees' need to balance their professional and personal responsibilities; a work-related child-care centre can be part of a general policy aimed at promoting this balance.

No single model for providing work-related child-care services exists. Employers and employee groups that want to pursue work-related child care have many options.

The relationship between a child-care centre and an employer or union can take any form, and be as close or as loose as the various partners want it to be. It can change over time as the partners' needs, capacities and priorities evolve.

Setting up a work-related child-care centre may be easier in certain types of workplaces such as public sector organizations or companies with a large workforce. However, it is possible to develop models for work-related child-care that reflect the uniqueness of the workplace and the demands placed on employees. Realities such as a small workforce, varied schedules, long work hours and employees who are scattered throughout a region are not insurmountable obstacles. In fact, the unique characteristics of some workplaces can even be catalysts for instituting innovative child-care services.

Developing a work-related child-care centre is an endeavour that should not be taken lightly, and which sponsoring organizations should view as a long-term commitment. The investments required and the expectations that will eventually be created mean that careful planning is needed. Worker consultation is, therefore, a crucial step in bringing any work-related child-care service project on stream. Consulting workers helps to determine whether employees really need child-care services, whether this need justifies the employer's involvement and whether a work-related centre is the most effective way to meet the need for child care.

"Work-Related Child-Care Centres in Canada – 2001" brings forward a number of topics for further research. They can be grouped into four main areas:

- *Research on options and approaches* – A work-related child-care centre is only one of the options available to an employer or a labour organization wanting to help its employees or members with child care. Other possible approaches, including referral and information services, direct financial assistance, special funds, family child-care services and emergency child care, could be the subject of further research.
- *Studies of the role of union organizations and governments* – More research is needed into their respective roles in furthering work-related child-care services.
- *Surveys of companies and their employees about work-related child care* – Both could be surveyed, for example, to assess the profitability or the costs versus the benefits of employers' investments in child care, and to collect new information on parents' needs and preferences.
- *Case studies to illustrate what has not worked* – More information would be useful on work-related child-care centres that have not been as successful as expected. This information could be valuable to organizations or employees interested in setting up their own centres.

EXAMPLE OF A WORK-RELATED CHILD-CARE CENTRE

Downs Children Centre, Assiniboia Downs Racetrack, Winnipeg, Manitoba

This profile is a summary of one of the case studies presented in "Work-Related Child-Care Centres in Canada – 2001." The *Downs Children Centre* was the first child-care centre in North America to open on a racetrack site. The working conditions of racing people are unique, and the centre has done well in adapting to these conditions.

The Work Environment

The Assiniboia Downs racetrack is a not-for-profit organization managed by the Manitoba Jockey Club. A number of employers operate at the racetrack site. These include the Manitoba Jockey Club, the Canadian Thoroughbred Horse Society, the Horsemen's Benevolent and Protective Association, the Manitoba Horse Racing Commission, veterinarians and trainers. Together, they employ roughly 1,000 people.

Because of the nature of the horse-racing industry, the workers' schedules vary greatly. Activities at the track take place from 5:30 a.m. to midnight. Some people work in the daytime and others in the evening. Some employees work on race days only or on shifts, and others work a traditional nine-to-five schedule. The number of workers at the track also varies depending on the time of year. The *Downs Children Centre* has adapted its operations and services to the specific working conditions of the workers in this industry.

The Child-Care Centre

The *Downs Children Centre* opened in 1981, a year after a special committee was set up by the Horsemen's Benevolent and Protective Association to act on a request by racetrack workers for the creation of a child-care service.

The child-care centre is a not-for-profit corporation and has charitable status. It is managed by a Board of Directors. The by-laws state that a set proportion of members of the Board of Directors must be parents working at the racetrack, and one member of the Board of Directors must also be a member of the Horsemen's Benevolent and Protective Association's Board of Directors.

The centre is located on the Assiniboia Downs site between the track and the stables. It is housed in two former tack houses that are connected; an extension was added in the early 1990s. Today the centre occupies nearly three times as much space as it did when it opened.

The centre accepts children between 12 weeks and 12 years of age. About two-thirds of the children attending the centre have parents who work at the track, and the rest are from the local community.

The number of children allowed under the centre's licence varies during the year to accommodate the horse-racing schedule. In winter, the centre can take 34 children at a time, whereas during the racing season it can take 55. It can accept up to 12 infants. In the summer, some 70 children are registered at the centre, and they come when their parents need the service. On race nights, roughly 25 children are being cared for at the centre. Some spaces are left unfilled to accommodate racetrack workers as required.

The centre's hours of operation reflect working conditions in the horse-racing industry. The centre is open seven days a week. In the winter, the hours of operation are 7:00 a.m. to 6:00 p.m. In the summer (June 15 to October 1), the centre opens at 5:30 a.m. and operates until midnight on race days and 7:00 p.m. on Sundays. Children from the community also have access to the centre on race nights.

The time that the children spend at the centre depends on their parents' schedules. For example, children whose parents have to feed the horses come in when the centre opens, leave at about 10:30 a.m. and then come back to spend the late afternoon at the centre. Some seasonal employees use the centre only during the summer. Others hold another job in Winnipeg in the off-season, and their children stay at the *Downs Children Centre* year-round. Some workers are in the Winnipeg area for only a few weeks each year, depending on the type of racing they are involved in. They generally inform the centre staff of their need for child care in advance so that a space can be reserved for them.

According to the centre's director, a sizeable proportion of the people working at the track are single mothers. The existence of the centre and its hours of operation allow them to work at the track even though they have children. Finding a child-care centre that opens at 5:30 a.m. or closes at midnight is not easy, especially when parents don't know exactly when they will be working until a few days beforehand, as is the case with many workers in the racing industry.

School-age children whose parents work at the racetrack can register for before- and after-school care. The *Downs Children Centre* provides transportation to two schools in Winnipeg. Only those two schools can be served because they are close to each other and have different schedules.

The Relationship Between the Centre and the Racetrack

The *Downs Children Centre* has adapted to the lifestyle of the people who work at the racetrack. The relationship between the two entities is close and mutually beneficial with respect to both administration and services.

There are a number of aspects to the relationship besides the fact that a representative of the Horsemen's Benevolent and Protective Association sits on the centre's Board of Directors, and that horsemen's children have priority for spaces.

When the centre started up, it received an interest-free loan from the Horsemen's Benevolent and Protective Association, in addition to a grant from the Manitoba government. The loan from the Association has been repaid in full. The sponsors of the child-care project also received donations from some of the horsemen.

Today the centre pays no rent, and it receives all or part of the profits from a number of activities held at the track during the year.

Until 1993, the track was a family-owned business. It is now managed by a not-for-profit organization. The current director of the centre says that she sees a difference between the two structures as far as the relationship with the centre is concerned. Today, the profits generated by the racetrack are reinvested in the business. This means that the directors can be more generous with respect to the centre, given the track's not-for-profit status. For example, the track's Board of Directors donated a surplus van to the centre.

EMPLOYMENT EQUITY MERIT AWARDS – 2001

Workplace Equity
Human Resources Development Canada

Over the past decade, since the Government of Canada introduced the Merit Awards Program in 1990, many companies have been recognized. The momentum toward an inclusive work force continues and is recognized this year in the outstanding examples of five organizations. These organizations deserve special recognition for their creativeness and for their special efforts in the important endeavour of workplace equity. With the many other organizations which have achieved recognized compliance with the criteria of the ***Employment Equity Act****, they demonstrate that inclusiveness is integral to achieving all organizational goals. The five organizations receiving awards have understood the benefits of achieving a representative sample of Canadians as workers, as an appropriate reflection of the diversity of customers and clientele. They have found ways of doing so that merit the attention of managers making day-to-day decisions and developing policy for their organizations.*

The 2001 Employment Equity Awards were chosen by a jury composed of winners from the previous year and Human Resources Development Canada representatives. The judges considered the quality of the employment equity programs and the results achieved. In their analysis, they considered innovation and responsiveness; special measures and accommodation; involvement at all levels; and a focus on more than one designated group.

There are two awards. The Vision Award is presented in recognition of outstanding creative and innovative approaches to the implementation of equity and fairness in the workplace. The Merit Award recognizes organizations for special and continuing efforts towards attaining a representative workforce.

Vision Award

Bank of Montreal

Founded in 1817, Bank of Montreal is Canada's first bank and one of the largest financial institutions in North America. It offers a full range of financial services across Canada and in the United States, both directly and through the Chicago-based subsidiary, Harris Bank.

"...in recognition of outstanding creative and innovative approaches to the implementation of equity and fairness in the workplace."

With assets of $238 billion and nearly 33,000 employees, the Bank's diversified activities are concentrated among three client groups: retail banking, wealth management, and corporate and investment banking.

In Canada and the United States, the Bank serves nearly seven million personal and commercial clients and offers services through multiple delivery channels including a strong retail network, ABMs and telephone, online and wireless banking access.

The Bank of Montreal Group of Companies includes wholly owned subsidiaries BMO Nesbitt Burns, providing both full service investing and global investment banking; BMO Harris Private Bank; BMO/Harris InvestorLine, a direct brokerage with customers in Canada and the United States, and Cebra, a digital commerce services provider.

Leadership and Progress

Bank of Montreal has clearly demonstrated commitment, progress and leadership well beyond legislative requirements. The Chairman and CEO, Tony Comper, believes "based on firsthand experience as well as simple logic, that investing big in people is just about the most businesslike move that any organization can make; that in the end and as never before, there is not a greater competitive advantage." According to the Bank, its revenue growth and the advancement of workplace equality are inextricably linked.

Chairman's **Council on the Equitable Workplace** includes the CEO, the vice-chairs for each line of business, the Executive Vice-President of the Office of Strategic Management and the Vice-President of Workplace Equality and Employee Programs. This council sets the strategic direction for equity initiatives, establishing qualitative and quantitative workplace equality goals at the beginning of each fiscal year. Goals are measured every quarter, through a comprehensive suite of reports. The integration of workplace equity into corporate culture is demonstrated by the landmark decision to link workplace equity goals to the incentive compensation program for executives.

Bank of Montreal has an **Office of Workplace Equality** responsible for leadership and administration. Its head, the Vice-President, Workplace Equality and Employee Programs, reports directly to the Chairman, the President of the Council and the Executive Vice-President of Human Resources.

Beginning in 1990, the Bank established executive sponsored task forces to identify and address issues related to the employment and advancement of each of the employment equity designated groups. Based upon that work, the Bank won the 1995 Employment Equity Vision Award.

Mandatory Management Training Integrated with Equity

Diversity management has been fully integrated in management training at all levels. All managers of people at Bank of Montreal must attend a five-day residential training initiative, **Managerial Leadership Week**. Managing for inclusion and diversity is completely woven into the program. In addition, a full managerial leadership learning system is being developed, which incorporates the "Managing for Inclusion/Managing Diversity" competency and behavioural scales. These scales are the basis for the new curriculum.

Managerial Accountability

Competency in managing for inclusion/managing diversity is part of each manager's performance evaluation. Bank of Montreal also measures the effectiveness of managers through its **Annual Employee Survey**. Results have been encouraging, with 74 per cent viewing the Bank as a place where people have equal opportunity for advancement, regardless of age, disability, gender or race. Among respondents who self-identified as a person with a disability, 81 per cent were satisfied with the accommodation they had received.

Corporate Culture of Equity

To recognize individuals and create heightened awareness about behaviours that make workplace equity come to life, the Bank honours staff selected by their peers as **Equality Champions**. Over 200 individuals, chosen from more than 2,000 nominations, have been celebrated in the past three years at conferences and gala events. Their accomplishments are shared with all employees through video and employee news magazines.

Employees promote equality through employee networks, diversity action teams and workplace advisory action councils. There are currently 12 such groups. For example, there are **Aboriginal Sharing Circles** in Calgary and Toronto, for all employees to learn about Aboriginal cultures and develop strategies to enhance Aboriginal business. There are networking groups for employees who are deaf or hard of hearing, and for employees who are blind or visually impaired. The groups are self-directed and have been instrumental in recommending important initiatives.

Employees are also encouraged to take part in workplace equality community activities, such as the **Canadian National Institute for the Blind Walk Toward Freedom** and the **Canadian Hearing Society's Mayfest**.

Further Initiatives

Workplace Equality has implemented a six-month pilot project to identify and eliminate barriers facing employees with disabilities in using adaptive technology. This initiative includes a testing lab for compatibility with adaptive technologies and identification of training needs.

New guidelines are being developed for accessibility beyond that required by building codes. These will benefit both employees and customers using new and existing premises.

The Bank provides annual scholarships through the **Foundation for the Advancement of Aboriginal Youth** and supports youth conferences. The Bank also sponsored and participated in the Treaty 7 Education Conference, attended by about 300 Treaty 7 educators.

Bank of Montreal is a founding sponsor of the **Aboriginal MBA** program at the University of Saskatchewan, a program that focuses on Aboriginal business and economic development. The Bank also sponsors a Bachelor of Administration degree program in partnership with the Saskatchewan Indian Federated College and the University of Regina. This innovative program provides Aboriginal and non-Aboriginal students the opportunity to explore issues of common concern.

As a result of the efforts by the Task Force on Visible Minorities, the Bank continues to expand its award-winning **Possibilities-Youth Internship Scholarship Program**. Started in Montréal, it now includes Toronto, Halifax, Winnipeg, Calgary, Edmonton, Vancouver, Saskatoon and Lethbridge, and was extended to Aboriginal youth and students with disabilities. Students in their final year of high school are selected for internships at the Bank, and receive a $1,000 scholarship toward post-secondary education. They work one day per week at the Bank, and may work during summers as well.

Bank of Montreal uses the **Career Edge Internship Program** to provide job experiences for new graduates exclusively to members of designated groups. Graduates with disabilities are also given meaningful work experience in a variety of jobs through the **Ability Edge** program, co-sponsored by Career Edge and the Canadian Bankers Association. In 2000, Bank of Montreal won the Career Edge Vision Award for its focus on diversity.

The Bank has long focussed on the advancement of women. It launched its Task Force on the Advancement of Women in 1990. It was a major sponsor and key advisor for the 1997 study conducted by the Conference Board of Canada and Catalyst called **Closing the Gap: Women's Advancement in Corporate and Professional Canada**. It examined issues inhibiting the advancement of women into senior management from the perspectives of both chief executives and senior women.

The Bank is committed to achieving gender parity at senior levels by 2007. The Bank offers an internal four-year MBA program in financial services, in conjunction with Dalhousie University and the Institute of Canadian Bankers. This program allows students to learn while continuing with full-time employment, and meeting other personal commitments. Just over 50 per cent of the graduating class of 2003 are women, a fact in which Chairman and CEO, Tony Comper, takes particular pride. As he notes, it is a testament to Bank of Montreal's "uncompromising business commitment to remove barriers to the advancement of women. In levelling our playing field, and expressing our official belief in balanced, not work obsessed lives, we gave ourselves a vastly wider and vastly deeper leadership pool."

Contact: Nuzhat Jafri
Senior Manager, Workplace Equality
Tel.: (416) 927-5568
Fax: (416) 927-5555
E-mail: nuzhat.jafri@bmo.com

Certificates of Merit

Yanke Group of Companies

The Yanke Group of Companies, headquartered in Saskatoon, Saskatchewan, provides North American transportation solutions with terminal facilities in all provinces from Quebec to British Columbia. For the past two years, Yanke has been chosen as one of Canada's 50 Best Managed Private Companies. Since 1980, the Yanke Group of Companies has grown from a two-truck operation, to one that supports a fleet of over 400 trucks, and boomed from 33 support staff in 1986 to over 150 in 2001. Yanke's success is attributed to its attainment of 99 per cent on-time performance.

"...recognizes organization for special and continuing efforts towards attaining a representative workforce."

Yanke has six operating groups providing full truckload line haul, expedited shipments, intermodal operations, inland international container terminals, and complete supply chain management. Satellites are used for tracking the entire fleet of power units and for communicating with operators. All tractor units are replaced every four years, and are well equipped with ABS and governed top speeds for safety. Trailers are renewed every five years. This provides for a technically superior and low maintenance fleet.

But above all, Yanke attributes its performance to its people and the environment provided for them. One key corporate core value is to "recognize and respect the opinions, contributions, and personal worth of all people."

Senior Level Commitment

Employment equity is solidly integrated into management of the company, with the **Executive Leadership Team** undertaking a leading role. Senior management is assessed on its ability to manage diversity, amongst other key business indicators, and the President is involved in every senior manager's performance interview. In-house diversity training is made available to managers.

Equity planning is incorporated into the Human Resources Business Plan, ensuring constant monitoring and revision of equity measures. Job descriptions are reviewed annually to ensure that members of designated groups are not precluded from employment. The **Employment Equity Committee**, representative of the workforce, reviews current and proposed practices to ensure that real or perceived employment barriers are identified and promptly addressed. The committee meets at least quarterly.

Achieving Compliance with the Human Rights Commission Review

The commitment of management and their incorporation of equity into human resource practices have ensured that Yanke achieved compliance with the requirements of the law, according to an audit review by the Human Rights Commission. As part of the requirements, Yanke carried out a self-identification survey in 1998, and has kept information up-to-date by giving each new employee an **Employment Equity Presentation** and an opportunity to self-identify. Yanke has reviewed employment systems, created a plan with short- and long-term goals, and has made progress toward achieving those goals. Some examples include promotion of women, making headquarter facilities accessible to people with disabilities, and providing opportunities for flexible hours to accommodate single parents and people with eldercare responsibilities.

Demonstrating Leadership in the Transportation Industry

The trucking industry provides a challenging human resources environment, with high turnover rates, especially for operators whose occupation usually requires more than 20 days per month spent away from home. Yanke has taken on this challenge with the kind of systematic effort that brings excellence to all areas of operation. Yanke had recently partnered with McGill University in a work/life balance research project, the objective being that information gained from that study will assist in creating work which is compatible with balancing lifestyles.

Separate annual employee satisfaction surveys are administered to driving and non-driving staff, to assist in identifying specific accommodation needs. To ensure equal representation of drivers, Yanke has established a dedicated Professional Transport Operator Representative with direct access to the President and membership on the Employment Equity Committee.

Yanke works with organizations of designated groups, such as the Federation of Saskatchewan Indian Nations and with various

educational facilities to attract, retain and promote designated group members.

Yanke has developed a corporate training plan, which includes employment equity and diversity awareness as one of the core programs. Communication on equity education and awareness is diverse, using the newsletters, ***The Blue Notes*** and ***The Link***, the e-mail system, the Web site, and the notice boards accessible to all employees. An application is now available through the Internet.

Yanke's long-term goals include equitable representation of women in management, and equitable representation of Aboriginal persons, visible minorities, and people with disabilities. Facility modifications will be completed, including automated doors and a chair lift. An on-site day care is planned, as well as gymnasium facilities to contribute to the wellbeing of all staff.

Contact: Deborah Salter
Human Resources Manager
Tel.: (306) 664-1519
Fax: (306) 995-5663
E-mail: hr@yanke.ca

DaimlerChrysler Canada Inc.

DaimlerChrysler is the third largest automobile manufacturer and wholesaler in Canada. It is also one of the ten largest companies in the country with 2000 revenues of $22 billion and purchases of $10.5 billion from Canadian suppliers. Daimler-Chrysler Canada employs over 16,000 people with a payroll of over $1 billion. Chrysler Canada Ltd. became DaimlerChrysler Canada Inc. in 1999 following the merger of Chrysler Corporation and Daimler-Benz AG to form a global transportation enterprise.

Chrysler has a long history in Canada as it was incorporated in 1925 in Windsor, Ontario, where its headquarters remains today. In 1939, its plants were retooled to produce over 180,000 military trucks, plus munitions, field guns, and innovative rustproof packaging essential to Canada's war effort. Following the war, Chrysler Canada resumed production of vehicles for the Canadian market.

In 1965, the Autopact between Canada and the United States was signed. This historic agreement allowed for the rationalization of vehicle production for Chrysler, General Motors and Ford. Dramatic increases in vehicle assembly in Canada followed as new vehicles built in Canada could be shipped to the United States for sale through United States dealers.

There were many other important milestones in the company's history, including the acquisition of American Motors and the legendary Jeep® brand in 1987. However, probably the most important was in 1983 when Chrysler invented the minivan and began production of the phenomenally successful Dodge Caravan and Plymouth Voyager at the Windsor Assembly Plant in Windsor, Ontario. Since the historic launch, over nine million Chrysler-built minivans have been sold worldwide with over five million of those produced at the Windsor Assembly Plant. In the 2000 calendar year, the Dodge Caravan became the best selling vehicle in Canada. In fact, more Caravans were sold in 2000 than any other vehicle for a calendar year in the history of the Canadian automotive industry.

The company's three vehicle assembly plants in Canada, two in the Windsor area, and one in Brampton, built 704,032 cars and trucks in 2000. Chrysler also operates a soft trim plant in Ajax and an engine and transmission plant in Etobicoke. Parts are distributed to its 550 Chrysler, Dodge and Jeep Retailers from centres across Canada, who sold over 268,000 vehicles in the 2000 calendar year.

The Canadian Auto Workers Union, which represents 14,000 DaimlerChrysler Canada employees, co-submitted the application with DaimlerChrysler Canada. The Canadian Auto Workers Union was formed in 1986 when a majority of its 102,000 members voted to become independent of the United Auto Workers, the union that had represented Chrysler, Ford and General Motors auto workers in both the United States and Canada since 1937.

The Canadian Auto Workers Union, the largest private sector union in Canada, has embraced social unionism, i.e., being concerned with broader social conditions as well as economic benefits for its members. For example, it supports shelters for battered women, child care, health clinics, co-operative housing, as well as sports and music camps for children. It has also been involved with environmental issues and in provincial and national politics. Buzz Hargrove, in his first speech as president, pledged support for equity for visible minorities and women.

Cooperation of Union and Management

The joint submission of the awards application by DaimlerChrysler Canada and the Canadian Auto Workers is indicative of the general and substantial cooperation on equity issues. Both have equity coordinators as members of a **Master Equity Committee**, supported by their executive. Both are also represented in Plant Local Committees, each of which has at least one female.

A Memorandum of Understanding on Employment Equity, which has been written into collective agreements, has recently been expanded to better accommodate pregnant women including joint responsibility for accommodation of pregnant women, notwithstanding normal seniority provisions. Accommodation has also been made to allow mothers to continue nursing after resuming full-time employment.

Other equity provisions in the collective agreement include bereavement leave improvements for those affected by the death of a family member outside of North America and leaves of absence of up to 150 days for employees whose families are in distress. Training in employment equity, benefits, as well as health or safety will also be established specifically for the western Parts Distribution Centres.

Active Identification of Barriers

Master Employment Equity meetings are held every quarter to address the latest issues and concerns on the Human Rights front. For example, the Tuition Refund Program is now being reviewed for system discrimination pertaining to pregnant women. An Employee Feedback Process has been launched to encourage communication on issues or concerns. It allows employees to remain anonymous if they choose. The Benefits department has also established a Benefits Idea Link to solicit ideas from employees. This link has resulted in suggestions related to elder care, new hires, etc.

DaimlerChrysler Canada has dedicated full-time staff to investigate issues of harassment. An annual meeting is funded to provide training and awareness on employment equity issues, such as Aids awareness, training to investigate harassment and prevention of workplace harassment. Also, 40 hours of training is provided for all employees on the prevention of workplace harassment and policies and procedures which support a workplace free of harassment are promoted among all employees and new hires.

An annual three-day Women's Advocate meeting with attendance from all facility locations addresses topics such as women and stress, the family, violence and substance abuse, family law, and violence against women in intimate relationships.

Employment Equity reports are made available to senior managers, reflecting equity efforts for female, visible minority, Aboriginal, and disabled employees, as well as promotions, hirings and terminations.

Initiatives

Equity initiatives have also been taken for positions not covered by collective bargaining. A Diversity and Communications Specialist position has been created, reporting directly to the Vice-President of Human Resources, to provide greater focus on diversity issues.

Health care, group insurance and pension benefits have been extended to those in same sex relationships. Childcare has also been addressed with provision of a state of the art facility operating on a two-shift basis to accommodate employees rotating shifts, and a subsidy of $10 per day is provided for childcare for children from infancy to five years of age.

To recruit and support employees, DaimlerChrysler partners with multi-cultural societies in the Windsor and Toronto areas.

Contact: Dale Laliberte
Labour Relations Coordinator
Tel.: (519) 973-2914
Fax: (519) 973-2215
E-mail: dl8@daimlerchrysler.com

Rogers AT&T Wireless

Rogers AT&T Wireless is Canada's largest national wireless telecommunications company. It is the only company licenced to provide all of cellular, digital PCS, paging and wireless data services nationwide. Rogers AT&T has 2.6 million wireless customers and 3,500 full- and part-time employees. Its networks cover 93 per cent of the Canadian population with analog services and 85 per cent with digital PCS. To support this breadth of service, it has ten regional offices from Halifax to Vancouver, as well as its executive offices in Toronto.

The majority owner of Rogers AT&T Wireless is Rogers Communications, one of the world's largest cable companies, which also owns print media, television stations, and cable channels. Rogers has over $1.9 billion in cable revenues in Canada alone. Other owners are AT&T and British Telecommmunications plc.

Corporate Leadership and Achievement

The CEO, Charles Hoffman, is the executive sponsor of the Diversity Management Committee, funding committee activities largely from his office. This high level of executive commitment is reflected in achieving full representation of women and visible minorities in each occupational classification; for example, in the past two years the number of women on the leadership team has increased from two to nine.

Rogers AT&T Wireless places importance on ensuring that it reflects the communities in which it does business. Rogers is committed to providing an exciting and stimulating work environment that welcomes diversity and fully endorses equity in the workplace. Rogers recognizes that there remains much work to be done to ensure equity in the workplace for all Canadians, particularly for Aboriginal people and people with disabilities.

Measures for all Designated Groups

Rogers commitment to equity and the merit principle is manifested in its competency based **Performance Management** program. The program includes support for accurate assessment of performance and development needs by using a multirator feedback process. Combined with access to a wide array of courses, this enhances the opportunity for members of designated groups to develop skills and be promoted based upon their capacities and potential.

Rogers has made a special effort to direct financial, educational, promotion and employment resources for people with disabilities. Among other measures, Rogers participates in **Human Resources Development Canada Job Fairs** to hire people with disabilities, co-sponsors **"Wellsizing the Workplace"**, a two day symposium for employers, agencies and people with disabilities, and jointly sponsors a Goodwill event **"I Had No Idea"** promoting their employment programs. Rogers partners with the **Goodwill Call Centre, Skills Training Partnership** program, which has brought pleasing results, as measured by high levels of employee retention and performance. Goodwill selected Rogers AT&T as employer partner of the year for 1999-2000.

A Wide Range of Initiatives

The internal publication, Wireless News, includes diversity related information, and employee forums include updates on activities of the Diversity Committee. The **Team-Based Mentoring Program** has doubled participation to over 90 employees. A video for a new **Diversity Management Awareness Program** has been produced in partnership with Ryerson students.

Rogers AT&T's equity initiatives extend outward to the community. Among Rogers community activities are alliances with the Canadian Council for Aboriginal Business, the Canadian Council on Rehabilitation and Work, the Canadian Paraplegic Association, Goodwill Industries, and the Training Coordinating Group for People with Disabilities. Such partners can, upon request by individuals, provide support with resume writing, interview preparation, workplace training, career awareness, and financial assistance. Rogers, in turn, conducts presentations to client groups of community agencies on employment opportunities, resume writing, and job search strategy.

Additional activities include sponsorship of the **Ryerson Discover Engineering Summer Camp** for high school girls, and sponsorship of employees helping fundraise for the **Canadian National Institute for the Blind**.

Sharing Best Practices

Rogers AT&T actively supports and participates in alliances and partnerships with community organizations. These alliances include the exchange of best practices, exchange of information on accommodation requirements, and identification of job applicants.

Employees of other companies visit Rogers AT&T to understand measures taken to accommodate visually impaired employees. For example, Rogers has installed computerized screen reading technologies in its offices. However, where technical limitations of information systems caused difficulties, Rogers has been able to retain visually impaired or blind employees by modifying their duties.

Contact: Adam Wellwood
Manager, Employee Selection and Development
Rogers AT&T Wireless
Tel.: (416) 935-7301
Fax: (416) 935-3111
E-mail: awellwoo@rci.rogers.com

Amex Canada Inc.

Amex Canada Inc. and the AMEX Bank of Canada are both part of the American Express Company. This company has existed for 150 years, providing travel, financial services, charge and credit cards, travellers cheques, and investment products. It has been in Canada since 1853. Amex Canada and AMEX Bank of Canada employ about 3,500 Canadians in eight cities from coast to coast.

In January of this year, Amex Canada Inc. was rated as number 20 in the *Globe and Mail* listing of the Best 35 Companies to work for in Canada. Amex was rated highly because of its "strong record for honouring diversity, its commitment to professional development, and for providing a culture that acknowledges and rewards success with an employee stock ownership plan, annual bonuses and internal recognition awards programs".

Universal Management Training

At Amex, all managers must attend **Managing Diversity** sessions as well as other training on leadership and coaching staff. Corporate headquarters provides tools, such as a diversity database, videos, and an electronic calendar to assist managers with diversity. For optimal objectivity, the majority of interviews are conducted by teams, and all job vacancies are posted internally. All managers participate in **Leadership Feedback**, wherein they are rated by employees, colleagues and customers on competencies, including support for diversity. They are expected to create an environment in which everyone is treated fairly regardless of race, gender or individual differences. They must also confront prejudice and intolerant behaviour, and work well with all kinds of people.

Diversity as a Core Value

Equity is integral to the corporate values of American Express. The company's **Blue Box Values** include, under Treating our People with Respect and Dignity, recognition of barriers and "creating a working environment that is comfortable for all people, regardless of gender, race, ethnicity or other differences." Human resources guidelines address harassment, diversity and human rights.

The diversity team, formed in 1996, with employee representatives and sponsored by an executive, is responsible for distributing a questionnaire on the "Day for elimination of racial discrimination", for drafting the Employment Equity Plan, and for educating line managers on diversity.

The incorporation of diversity as a core value has helped American Express to achieve a representative workforce in each occupational group for women, visible minorities and Aboriginal persons.

Goals have been set to gain equitable representation of people with disabilities within the next five years. Barrier free access has been improved at the Markham facility, and Amex is partnering with the **Goodwill Call Centre Outreach** and **Inroads** programs. A mentoring program will be established, courses and company communication made accessible, and sensitivity training will be carried out for all employees.

Complementary efforts include measures to enhance safety and avoid disabilities, and the establishment of a graduated return to work for people ending disability leave.

Ombudsperson

A company ombudsperson is available in both French and English, to help resolve conflicts or any treatment by managers that is thought to be unjust or biased. As well, all employees are asked to provide feedback on a wide range of issues in the **Annual Employment Survey**. Company supported networks for groups of employees can also be established to provide support for individuals and foster general understanding of differences.

Accommodation of Religion and Other Differences

Amex provides the opportunity for religious observance, especially by giving leave for this purpose priority over the seniority roster. At headquarters, a quiet room is also available for devotion or contemplation.

Contact: Stephen Gould
Vice-President, Human Resources
Tel.: (905) 474-8001
Fax: (905) 474-8843
E-mail: stephen.a.gould@aexp.com

For more information concerning Workplace Equity contact:

Workplace Equity Programs, Operations Directorate
Labour Program, Human Resources Development Canada

Telephone: (819) 953-7528 Fax: (819) 953-8768
Web site: http//info.load-otea.hrdc.gc.ca/~weedis

"PREVENTION IS THE CURE" – CANADA CELEBRATES NAOSH WEEK

Marcia Blaschke
Labour Communications
Labour Program, Human Resources Development Canada

Gerry Blanchard, Director General
Labour Program, Operations

Today's fast-paced business environment and hectic work schedules make it difficult to comprehend the impact workplace accidents have on Canadians. On average, the most recent statistics indicate three Canadian workers are killed every working day.

Since 1997, Canada, the United States and Mexico have joined together to promote injury prevention in the workplace during North American Occupational Safety and Health (NAOSH) Week. Celebrated May 6 to May 12, this year's theme – PREVENTION is the CURE – reinforced a proactive approach to workplace safety.

The Canadian Society of Safety Engineering and the Canadian Centre for Occupational Health and Safety worked together with the federal Labour Program to promote NAOSH Week in Canada. The Canadian Society's counterpart, the American Society of Safety Engineers, promoted events in the United States, while sponsorship in Mexico came from a number of groups, including its federal Labour Secretariat.

For all three nations, education and awareness are priorities in preventing workplace hazards. NAOSH Week activities included workshops, seminars and displays emphasizing the message of injury prevention to workers and employers.

At the Canadian launch in Hamilton, Ontario, on May 8, the Director General of Labour Program Operations, Gerry Blanchard, praised the efforts and dedication of the organizing partners. He reiterated the government's commitment to minimizing workplace accidents through public awareness and workplace legislation.

"Prevention and awareness are key to workplace health and safety," said Mr. Blanchard. "If events like NAOSH Week can stop even one workplace accident from happening, then we are making a difference."

NAOSH Week was well supported by businesses, interest groups, schools and all levels of government in promoting prevention as the cure for workplace accidents and encouraging healthier and safer workplaces across the continent.

Labour Day — September 2001

Something to Celebrate

For most of us, Labour Day signals the end of summer and offers an opportunity for a well-deserved break from normal work routines. But Labour Day is really about much more than that—it is a chance to pay tribute to the contributions that working men and women have made to the economic and social achievements of Canada. It is also a time to reflect on the progress that we as a nation have made in the advancement of the rights and well-being of Canadian workers.

The Labour Program of Human Resources Development Canada has played a proud role in this effort as it works to promote a fair, safe, healthy, stable, cooperative and productive work environment for the nearly one million workers under federal jurisdiction. In the past year, the Labour Program has marked some significant accomplishments.

Last spring, Parliament approved changes to Part II of the *Canada Labour Code* dealing with occupational safety and health matters to create a safer and healthier work environment for Canadians. These changes give employers and employees the responsibility and the capability to deal with health and safety concerns as they arise in the workplace.

On the international scene, in June 2000, Canada supported its commitment to the rights and well-being of children by ratifying the International Labour Organization's Convention on the Elimination of the Worst Forms of Child Labour. In October 2001, Canada will host the next Inter-American Conference of Labour Ministers, which will focus on the social dimensions of globalization and the modernization of labour ministries.

The Labour Program has accomplished a lot for Canada over the past 100 years, but there is still much to do. Today technology and globalization are changing the workplace and the very nature of work itself. Canadians must be equipped with the tools and the institutional support they need for success in the new economy.

Canada's Labour Program will continue to work on these challenges in cooperation with labour, management and other levels of government, both at home and abroad, to ensure that the success of the last century is carried into the next.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin and Charles Philippe Rochon
Strategic Policy and International Labour Affairs
Labour Program, Human Resources Development Canada

British Columbia: *Human Rights Code Amendment Act, 2001*; Bill 17; Assented to April 11, 2001

This Act, which will come into force on June 1, 2002, will amend two sections of British Columbia's *Human Rights Code* that pertain, respectively, to discrimination in wages and to remedies in case of contravention.

The revised *Code* will continue to prohibit gender-based wage discrimination. However, this will be on the basis of equal pay "*for work of equal value*" instead of equal pay "*for similar or substantially similar work*," as is currently the case. In addition to "skill", "effort" and "responsibility", the concepts of "working conditions" and "knowledge" will have to be used to determine what is work of equal value.

An employee or former employee will be entitled, by order of a member or panel of the Human Rights Tribunal, to compensation for wages or salary lost due to wage discrimination in the 12-month period preceding the date on which the complaint was filed. This is in contrast to the current limit based on the 12 months immediately before the *earlier* of the employee's date of termination or the commencement of the action.

New provisions in the *Code* will recognize the validity of voluntary pay equity plans negotiated in good faith. Complaints of gender-based wage discrimination to the *Human Rights Tribunal* will be dismissed if an employer has established a plan to achieve pay equity by written agreement with the trade union of affected employees, or with each employee not within a bargaining unit. Such a plan must provide for an increase in the compensation of all employees who are the subject of a complaint by not less than 1.0 per cent of the employer's payroll in British Columbia, during each 12-month period, until the problem of wage discrimination is resolved.

Moreover, an order by a member or panel of the tribunal made to remedy a contravention regarding discrimination in wages will have to increase the compensation of the employees who are the subject of a complaint by 1.0 per cent of the employer's annual payroll per 12-month period, until pay equity requirements are met. If deemed in the public interest, it will be possible to broaden the scope of such an order to all the employees of an employer in British Columbia. Trade unions representing such employees and each employee not within a bargaining unit will have to be notified and given an opportunity to make representations before an order is made.

Ontario: *Labour Relations Amendment Act, 2000*; Bill 139 Assented to December 21, 2000

This Act brought a number of amendments to the *Labour Relations Act, 1995*, the most important of which are described below.

- The length of the open periods during which a trade union may file an application to displace another trade union when a collective agreement is in force has been changed from two to three months.

- An application for certification is barred for one year when such an application is withdrawn before a representation vote twice in a six-month period, is withdrawn following the vote or is dismissed by the Ontario Labour Relations Board. In those circumstances, the bar applies to any union with respect to a bargaining unit containing any of the same employee positions. These new provisions do not apply when the application for certification withdrawn or dismissed was from a trade union that cannot be certified because it is dominated by an employer or because it discriminates unlawfully against any person.

- The Board must deal with a decertification application or a union displacement application before dealing with or continuing to deal with an application for first contract arbitration. If the Board grants the decertification or displacement application, it must dismiss the first contract arbitration application. If the Board dismisses the decertification or displacement application, it must then proceed to deal with the first contract arbitration application.

- The length of the open periods during which employees may apply for the decertification of a trade union when a collective agreement is in force has been changed from two to three months.

- A new section has been added to the *Act* to require the Minister of Labour to prepare and publish, within one year after the date of assent of the *Act*, a document describing the process for making an application for decertification. The document must explain who may make an application, when an application may be made and the procedure as set out in the *Act* and in the rules of the Board. An employer with respect to whom a trade union has been certified must use reasonable efforts to post a copy of the document in a conspicuous place in every workplace under its control at which the unionized employees perform work, distribute a copy of the document to every unionized employee once each year, and provide a copy to these unionized employees upon request. Doing so does not constitute an unfair labour practice under the *Act*.

- A new section applies to votes to ratify a first collective agreement and votes to strike in order to obtain a first collective agreement. It requires that the ballot question in a vote to ratify a proposed collective agreement or memorandum of settlement be restricted to a choice between ratifying or not ratifying the proposed collective agreement or memorandum of settlement. No reference to authorizing a strike is permitted. In a vote to authorize a strike, the ballot question is restricted to a choice between authorizing or not authorizing a strike. No reference to ratifying a proposed collective agreement or memorandum of settlement is permitted.

- Starting in 2001, a trade union is required to provide to the Minister of Labour and to every individual it represents who requests it in writing, a written statement setting out the amount of salary and benefits that it paid in the previous year to or in respect of every official and employee whose total such income from salary and benefits is $100,000 or more in that year.

- The *Act* has been amended to provide that disputes with respect to a trade union's duty of fair representation are to be heard by the chair or a vice-chair of the Board, unless the chair considers it inadvisable to do so.

- A new section provides that, on the application of a party to a hearing before the Board, the chair may terminate and re-institute the proceeding if a decision of the Board has remained pending for six months or more after the last day of the hearing.

Other changes affect the provisions applying specifically to the construction industry. They are as follows:

- The definition of "non-construction employer" has been clarified, and the *Act* has removed the requirement that a non-construction employer must not have an employee employed in the construction industry on the day it seeks a declaration that a trade union no longer represents employees of that employer in the construction industry.

- The project agreement provisions of the *Act* have been amended to permit more than one project under a project agreement and to provide for the possible addition of new projects to existing project agreements.

- Certain provisions of the *Act* have been replaced to extend the protection from certification or voluntary recognition of non-unionized employers and other persons participating in a construction project governed by a project agreement. Previously, that protection applied only to construction work. As a result of the amendments, it also applies to non-construction work carried out under a project agreement.

- The Board has been given similar powers to deal with disputes relating to sectors in the construction industry that it has in dealing with jurisdictional disputes.

This Act was proclaimed into force on December 30, 2000.

Changes to Parental Leave Provisions in Provincial and Territorial Labour/Employment Standards Legislation

Following the lead of the federal government and most provinces (as mentioned in the Spring 2001 issue of the *Workplace Gazette*), the Northwest Territories and the Yukon have extended the maximum duration of parental leave in their legislation from 12 to 37 weeks. Although these amendments were assented to on March 7 and on May 9, 2001, respectively, they apply retroactively. The extended leave is available to the parents of children born or adopted after December 30, 2000 in the Yukon and December 31, 2000 in the Northwest Territories.

Eligibility requirements for parental leave in both territories remain the same as they were previously. To qualify, parents must have completed at least 12 months of continuous employment with their employer and provide at least four weeks' notice. The parental leave provisions of each territory, however, differ in other respects.

In the Northwest Territories, provisions that previously allowed, in some circumstances, a five-week leave extension for the parents of children suffering from a physical, psychological or emotional condition, have been repealed. Moreover, the maximum period of combined pregnancy and parental leave that can be taken by one employee has been set at 52 weeks. However, nothing in the legislation precludes the other parent of a child to simultaneously take the full period of parental leave.

Different restrictions exist in the Yukon. Parents in the territory who share a parental leave cannot–barring exceptional circumstances–take their leave at the same time, whether or not they work for the same employer. Furthermore, the cumulative total period of parental leave that can be taken by both parents for the same birth or adoption may not exceed a continuous period of 37 weeks.

It should be noted that the Saskatchewan government introduced amendments to the parental leave provisions of the province's *Labour Standards Act* on May 14, 2001. As of May 17, 2001, only Nunavut had yet to undertake modifications to its labour legislation in order to provide employment protection for employees who wish to take full advantage of the recently extended Employment Insurance parental benefits.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at:

http://labour-travail.hrdc-drhc.gc.ca/

and click on "Canadian Labour Law Information".

YESTERDAY AND TODAY

Union Dues

Suzanne Payette
Workplace Information Directorate
Labour Program, Human Resources Development Canada

Fifty Years Ago...

For the first time, union dues became an income tax deduction. The amendment provided that annual dues paid by a member to maintain membership in a trade union, as defined by the *Industrial Relations and Disputes Investigation Act* or any similar provincial statute, may be deducted for income tax purpose from income. The deduction was limited to the annual dues and did not include initiation fees, nor dues levied specifically for such purposes as the creation or maintenance of a building fund, funds for payment of strike benefits or for payment of insurance or annuities or other benefits, including funeral expenses. Amounts paid into a union superannuation fund approved by the Department of National revenue were still deductible under other provisions of the *Act*. The labour organization certified the amount paid by the union member.

The same year, on October 19, Stanley Knowles asked, in the House of Commons, whether members of trade unions and other comparable groups could deduct the expenses related to attending their conventions, as was newly the case for lawyers attending conventions of the Canadian Bar Association. The answer provided by the then Minister of Finance was "where the income tax board had recently decided that the lawyers' convention expenses were necessary expenses in earning their income and that if a member of a trade union was in the same position of deducting expenses, that his attending a trade union convention was necessary, incidental in the earning of his income, then as a matter of law, the court would hold the same ruling".

Today...

Union dues and amounts equivalent to dues under a Rand formula remain an income tax deduction. A number of jurisdictions and a large number of collective agreements (close to 90 per cent) provide for a check off whereby the employer deducts at the source the dues or equivalency of dues from the employee's salary and remits the dues with a listing of dues-paying and dues-equivalent paying (Rand formula) employees. With a check off system and deductions at the source, the employer provides proof of payment of union dues or equivalency through the issuance of a T-4 slip for income tax purposes. Superannuation paid through employer and employee deductions into a union-managed fund are also documented by the employer.

On the question asked by Stanley Knowles, the answer provided by the then Minister of Finance is probably still relevant.

Workplace Information

Information sur les milieux de travail

INFORMATION PRODUCTS AND CLIENT SERVICES

Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

By meeting your specific research needs, we can assist you in preparing for the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications. Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others.

Wage Settlements Bulletin

A monthly publication providing the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, $200 plus 7% GST ($214); other countries, U.S. $200. (Available by fax or by mail).

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by public and private sectors, by region, by jurisdiction and by major industry; detailed analysis of selected provisions in major agreements; information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, $125 plus 7% GST ($133.75); other countries, U.S. $125.

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819) 997-3117. Annual subscription: Canada, $50 plus 7% GST ($53.50); other countries, U.S. $50.

For further information, contact the Workplace Information Directorate:

1-800-567-6866 or (819) 997-3117

1-819-953-9582

http://labour.hrdc-drhc.gc.ca

Workplace Information Directorate
Human Resources Development Canada
Ottawa, Ontario
K1A 0J2

wid-imt@hrdc-drhc.gc.ca

Order Form

Canadian Government Publishing

Name: ..... **Position Title:** .....

Company: .....

Address: .....

City: ..... **Province:** .....

Postal Code: ..... **Country:** .....

Telephone: ..... **Fax:** .....

E-Mail: ..... **Date:** .....

Catalogue No.	*SUBSCRIPTION TITLE (Ces publications sont également disponibles en français)*	*Quant.*	*$*	*Total*
L12-20-1E	**Wage Settlements Bulletin** E-Mail ☐ Mail ☐ Fax ☐		200.00	
L12-22E	**Workplace Gazette**		125.00	
L12-23E	**Collective Bargaining Bulletin**		50.00	
Also available at your local bookstore. Prices are subject to change without notice. All sales are final.			7% GST, if applicable _____ Total _____	

METHODS OF PAYMENT

CANADIAN FEDERAL GOVERNMENT DEPARTMENTS AND AGENCIES *(excluding Crown Corporations)*	***ALL OTHER CUSTOMERS*** *(please check one method of payment)*
Purchase Order No.:	☐ Purchase Order No.: .....
Department No.:	☐ Cheque or Money Order enclosed (payable to the Receiver General of Canada)
IS Organization Code:	☐ Visa ☐ MasterCard
IS Reference Code:	Credit Card No.: .....
Responsibility Centre Code *(if you are part of PWGSC)*:	Expiry Date: .....
Note: This information is required to process your order.	Signature: .....
Credit Card orders will not be accepted from Federal Government Departments and Agencies.	

HOW TO ORDER

Telephone:	*1-800-635-7943 / (819) 956-4800*	*Mail to:*
Fax:	*1-800-565-7757 / (819) 994-1498*	*Canadian Government Publishing*
E-Mail:	*publications@pwgsc.gc.ca*	*PWGSC-Canada*
Internet:	*http://publications.pwgsc.gc.ca*	*Ottawa, Ontario CANADA*
		K1A 0S9